



Corporate Headquarters
P.O. Box 2245R
Morristown, New Jersey 07960

11773
RECORDATION NO. Filed 1423

MAY 8 1980 - 1 22 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 11773 1423

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INTERSTATE COMMERCE COMMISSION

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MAY 8 1 21 PM '80

I. C. C.
FEE OPERATION BR.

May 5, 1980

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

No. 0-129A018
Date MAY 8 1980
Fee \$ 100.00
ICC Washington, D. C.

Dear Mrs. Mergenovich:

Enclosed please find an original and two counterparts of the Railroad Equipment Sublease and Agreement to Convey and the Chattel Mortgage and Security Agreement, both dated as of May 1, 1980, by and between the following parties:

ALLIED CHEMICAL CORPORATION
P.O. Box 1057R (also P.O. Box 1219R)
Morristown, New Jersey 07960 - LESSEE-SUBLESSOR

LCP CHEMICALS - WEST VIRGINIA, INC.
Raritan Plaza II
Raritan Center
Edison, New Jersey 08817 - SUBLESSEE-BORROWER

new member
Through the Railroad Equipment Sublease and Agreement to Convey, Allied Chemical subleases to LCP certain cars, described in the attached schedules, which Allied Chemical leases from Alltank Equipment Corporation and First Union Properties, Inc.

-A
Through the Chattel Mortgage and Security Agreement being filed herewith, Allied Chemical is granted a security interest in the cars described in the attached schedules.

Also enclosed is a check payable to the ICC in the amount of One Hundred Dollars (\$100.00) to cover the applicable filing fee. Please return to the bearer of these documents the stamped originals.

Thank you for your attention to this matter.

Very truly yours,

Stanley R. Stevinson

Stanley R. Stevinson
Assistant Secretary

Enclosures

Chattel Mortgage - LCP

Interstate Commerce Commission
Washington, D.C. 20423

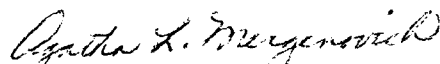
OFFICE OF THE SECRETARY

Stanley R. Stevinson
Allied Chemical
Corporate Headquarters
P. O. Box 2245R
Morristown, New Jersey 07960

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/8/80 at 1:25PM , and assigned re-
recording number(s). 11773 & 11773-A

Sincerely yours,


Agatha L. Mergenovich
Secretary

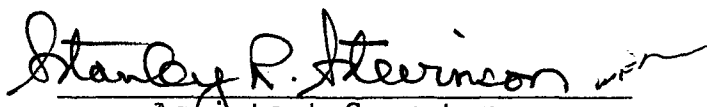
Enclosure(s)

11773
RECORDATION NO. Filed 1429
MAY 8 1980 1 40 PM
INTERSTATE COMMERCE COMMISSION

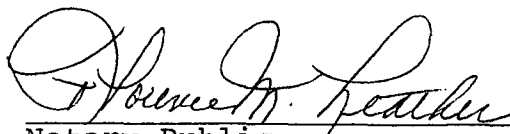
OFFICER'S CERTIFICATION

I, Stanley R. Stevinson, Assistant Secretary of Allied Chemical Corporation, do hereby certify that I have compared the attached copy of the Railroad Equipment Sublease and Agreement to Convey with the original document, dated as of May 1, 1980, between Allied Chemical Corporation and LCP Chemicals - West Virginia, Inc., and that it is a true and correct copy in all respects.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Corporation this 5th day of May, 1980.


Assistant Secretary

Sworn to and subscribed before me
this 5th day of May, 1980.


Notary Public
FLORENCE M. LEATHER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires August 2, 1981

RAILROAD EQUIPMENT SUBLEASE
AND AGREEMENT TO CONVEY

Dated as of *May 1*, 1980

BETWEEN

ALLIED CHEMICAL CORPORATION,
Sublessor

AND

LCP CHEMICALS - WEST VIRGINIA, INC.,
Sublessee

RAILROAD EQUIPMENT SUBLEASE AND AGREEMENT TO CONVEY

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RAILROAD EQUIPMENT SUBLEASE AND AGREEMENT TO CONVEY

THIS RAILROAD EQUIPMENT SUBLEASE AND AGREEMENT TO CONVEY dated as of ^{May}~~October~~ 1, 1980 (the "Sublease"), between ALLIED CHEMICAL CORPORATION, a New York corporation ("Sublessor"), with a principal office at Columbia Road and Park Avenue, Morris Township, New Jersey and a post office address at P.O. Box 1057R, Morristown, New Jersey 07960, and LCP - West Virginia, Inc., a Delaware corporation, ("Sublessee"), with a principal office and post office address at Raritan Plaza II, Raritan Center, Edison, New Jersey 08817;

WHEREAS, Alltank Equipment Corp., a Delaware corporation ("Alltank"), having an address in care of Hubbard, Westervelt & Mottelay, Inc., One Liberty Plaza, New York, New York 10006 by a Railroad Equipment and Lease Agreement dated as of July 15, 1972, as supplemented as of June 15, 1973 and February 15, 1974 (collectively the "Alltank Lease"), has leased to Sublessor the railroad cars listed and described in Schedule A attached hereto and made a part hereof for a basic term of 20 years commencing on August 1, 1972 and ending at midnight on August 1, 1992, a copy of which Alltank Lease is attached hereto as Exhibit A;

WHEREAS, First Union Properties, Inc., a Delaware corporation ("First Union"), having an address in care of The Prentice-Hall Corporation System, Inc., 229 South State Street

Dover, Delaware, 19901, by a Railroad Equipment and Lease Agreement dated as of March 28, 1966, as supplemented as of November 15, 1966 (collectively the "1966 First Union Lease"), has leased to Sublessor the railroad cars listed and described in Schedule B attached hereto and made a part hereof, for a basic term of 20 years commencing on April 1, 1967 and ending at midnight on March 31, 1987, a copy of which 1966 First Union Lease is attached hereto as Exhibit B;

WHEREAS, First Union by a Railroad Equipment and Lease Agreement dated as of July 1, 1964, as supplemented as of December 15, 1964 (collectively the "1964 First Union Lease"), has leased to Sublessor the railroad cars listed and described in Schedule C attached hereto and made a part hereof for a basic term of 20 years commencing on April 1, 1965 and ending at midnight on March 31, 1985, a copy of which 1964 First Union Lease is attached hereto as Exhibit C;

WHEREAS, First Union by a Lease of Railroad Equipment dated as of October 2, 1962, as supplemented as of December 4, 1962 and June 4, 1963 (collectively the "1962 First Union Lease"), has leased to Sublessor the railroad cars listed and described in Schedule D attached hereto and made a part hereof for a basic term of 20 years commencing on February 1, 1964 and ending at midnight on January 31, 1984, a copy of which 1962 First Union Lease is attached hereto as Exhibit D;

WHEREAS, the Alltank Lease, the 1966 First Union Lease, the 1964 First Union Lease and the 1962 First Union Lease may also be collectively referred to herein as the "Leases," and Alltank and First Union may also be referred to herein as the "Lessors" or the "respective Lessor" as the case may be;

WHEREAS, pursuant to each of the Leases, Sublessor is authorized to sublease the railroad cars listed and described in Schedules A, B, C and D attached hereto and made a part hereof (the "Cars"), provided that such Leases shall continue in full force and effect and all obligations of Sublessor thereunder shall continue in full force and effect as the obligations of a principal and not as the obligations of a guarantor or a surety;

WHEREAS, the Leases are now in full force and effect and Lessor has the right, power and authority to sublet the Cars upon the terms and conditions of this Sublease;

WHEREAS, Sublessee desires to accept and sublease the Cars upon the terms and conditions of this Sublease;

NOW, THEREFORE, Sublessor, for and in consideration of the payments hereinafter stipulated to be made by Sublessee, and the covenants and agreements hereinafter contained to be kept and performed by Sublessee and for other good and valuable consideration, does by these presents hereby sublease to Sublessee the Cars under the following terms and conditions:

Section 1. Title. Title to the Cars shall at all times remain in the respective Lessor and at no time shall title become vested in Sublessee, except as otherwise expressly provided in this Sublease. This is a contract of lease only, and Sublessee shall acquire no right, title or interest in or to the Cars, other than the right to use and purchase the same under the terms and conditions hereof.

Section 2. Delivery. Sublessee acknowledges delivery of the Cars to it as Sublessee and its acceptance and possession hereunder. Sublessor makes no warranty or representation whatsoever, express or implied, in respect of the Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to each respective Lessor's title thereto or otherwise, it being agreed that all such risks are to be borne by Sublessee. Sublessor hereby irrevocably appoints and constitutes Sublessee its agent and attorney-in-fact for and in its name and behalf and for the account of Sublessee to make and enforce, from time to time, at Sublessee's sole cost and expense, whatever claim or claims Sublessor or the respective Lessor may have against the seller or the manufacturer of the Cars under any warranty, express or implied, in respect thereof.

Section 3. Term of Sublease. This Sublease shall be and remain in force for a term commencing with the execution and delivery hereof and ending at midnight on the day next

preceding the following dates: (a) November 1, 1982 with respect to the Cars under the Alltank Lease listed in Schedule A, (b) September 30, 1980 with respect to the Cars under the 1966 First Union Lease listed in Schedule B and the 1964 First Union Lease listed in Schedule C, (c) July 29, 1980 with respect to the Cars under the 1962 First Union Lease listed in Schedule D. By such dates Sublessor agrees to obtain right, title and interest in the Cars pursuant to the terms of the respective Leases; provided, however, that the provisions of Section 16 hereof shall survive this term. Sublessee acknowledges that each respective Lessor reserves to itself, in addition to the other rights and remedies herein expressed or which are or may hereafter be conferred upon such Lessor by law, the right to terminate the respective Lease and the leasehold estate thereby granted as provided in such Lease.

Section 4. Rent.

(A) Basic Rent. As basic rent, Sublessee shall pay to Sublessor the sum of \$1.00 per year.

(B) Additional Rent. Sublessee will also pay, as additional rent, all other amounts, liabilities and obligations which Sublessee herein assumes or agrees to pay, except that amounts payable as liquidated damages referred to in Section 21 hereof shall not constitute additional rent. In the event of any failure on the part of Sublessee to pay additional rent, Sublessor shall have rights, powers and remedies provided

for herein or by law or equity or otherwise in the case of nonpayment of rent.

(C) No Set-Off. Sublessee shall pay basic rent and additional rent without notice, demand, set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction and, except as otherwise expressly provided in Sections 14, 15 and 16 of this Sublease, Sublessee shall have no right to terminate this Sublease or to be released, relieved or discharged from any obligations or liabilities hereunder for any reason whatsoever, including without limitation: (i) any damage to, or destruction, theft or loss of, the Cars; (ii) any limitation, restriction, deprivation or prevention of, or any interference with, any use of the Cars; (iii) any confiscation, requisition or taking of the Cars by any governmental authority; (iv) any action, omission or breach on the part of the respective Lessor, the Trustee (as defined in the Alltank Lease), any Assignee (as defined in the 1962 First Union Lease, the 1964 First Union Lease or the 1966 First Union Lease) or the holder of any obligation or indebtedness secured under the respective Leases or any assignment thereof or under any other agreement at the time existing between Sublessee, Sublessor, such Lessor, such Trustee, such Assignee or such holder; (v) the breach of any warranty of the seller or the manufacturer of the Cars; (vi) any defect in such Lessor's title to the Cars; (vii) any claim as a result of any other

business dealings of such Lessor, such Trustee, Sublessor, such holder or Sublessee; or (viii) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or similar proceeding involving or affecting such Lessor, such Trustee, such Assignee, Sublessor or such holder or any action with respect to any of such Leases which may be taken by any trustee or receiver of Lessor, such Trustee, such Assignee, Sublessor or such holder or by any court in any such proceeding; and Sublessee hereby covenants and agrees that it will remain obligated under this Sublease in accordance with its terms, and that it will not take any action to terminate the term of this Sublease (except as expressly provided in Sections 14, 15 and 16), terminate this Sublease, or rescind or avoid this Sublease, notwithstanding any of the foregoing. All payments by Sublessee hereunder shall be final, and Sublessee will not seek to recover any such payment or any part thereof for any reason whatsoever. Sublessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate or surrender this Sublease, or (ii) to any abatement, suspension, deferment, diminution or reduction of additional rent, on account of any such occurrence or otherwise.

(D) Invoicing. Sublessor may invoice Sublessee on a monthly basis but shall invoice on at least an annual basis with respect to amounts payable by Sublessee hereunder which invoice shall be supported by such details of the additional rent as described above in Section 4(B) as

Sublessee may reasonably request, and payment shall be due in cash within fifteen (15) business days from the date of receipt of the invoice. The acceptance by Sublessor of payment drafts, checks or other form of payment will be subject to immediate collection of the full face amount thereof.

Section 5. Mileage Allowances. Sublessee shall receive, insofar as applicable law and regulations allow, all mileage allowances, rentals and/or other compensation payable by carriers by reason of the use of the Cars (hereinafter called "Mileage"), and it is understood and agreed that if for any reason Sublessor receives any Mileage, then (unless an event of default specified in Section 21 shall have occurred and be continuing) Sublessor shall promptly remit such Mileage to Sublessee.

Section 6. Identifying Legend. Sublessee shall cause to be plainly, distinctly, permanently and conspicuously stencilled upon each side of the following Cars words in letters not less than one inch in height as follows:

(A) With respect to each of the Cars listed in Schedule A,

"ALLTANK EQUIPMENT CORP., AS OWNER, LESSOR
THE NATIONAL SHAWMUT BANK OF BOSTON, AS TRUSTEE,
MORTGAGEE AND ASSIGNEE"

(B) With respect to each of the Cars listed in Schedules B, C and D:

"FIRST UNION PROPERTIES, INC., AS OWNER, LESSOR
BANKERS TRUST COMPANY, AS TRUSTEE, MORTGAGEE AND
ASSIGNEE"

If during the continuance of this Sublease any of such words shall at any time be defaced or destroyed on any Car, Sublessee shall immediately cause such defaced or destroyed words to be restored or replaced. Sublessee shall not allow the name of any person, firm, corporation or entity to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, firm, corporation or entity other than such Lessor; but Sublessee may letter the Cars with the names or initials or other insignia now or hereafter customarily used by Sublessee on its railroad cars, if any, of the same or a similar type.

Except as set forth in this Section, Sublessee shall cause Sublessor's trademark, logotype or other identifying mark to be removed from the Cars.

Section 7. Numbering. Sublessor has caused the identifying symbol GCX, ACDX or ACSX, as the case may be, to be placed on, and a car number to be assigned to and placed on, each side of each such Car, such car numbers being as set forth in Schedules A, B, C and D hereof, and at all times during the term of this Sublease Sublessee will cause each Car subject to this Sublease to bear on each side thereof such identifying symbol and the car number so assigned to it.

Section 8. Taxes and Other Charges.

(A) Sublessee shall duly pay to the governmental or other authority assessing, levying or imposing the same, as additional rent, before they become delinquent, all taxes, assessments and other governmental charges levied or assessed upon the Cars or the interest of Sublessee therein or in respect thereof, the use or operation thereof or the earnings arising from the use or operation thereof, and all sales and use taxes which may be levied or assessed against the respective Lessor, Sublessor or Sublessee on account of the acquisition or leasing of the Cars, and shall promptly pay or reimburse such Lessor, with notice of such payment to Sublessor, for all taxes, assessments and other governmental charges levied or assessed against such Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof, exclusive, however, of taxes on such Lessor's income or on Mileage retained by such Lessor (except any such tax on such Lessor's income which is in substitution for, or relieves Sublessor or Sublessee from the payment of, taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided, and except as otherwise provided in Section 12 hereof). In the event any tax reports are required to be made on the basis of individual Cars, Sublessee will either make such reports in such manner as to show the ownership of such Cars by such Lessor or will notify such Lessor and Sublessor of such

requirement and will make such report in such manner as shall be satisfactory to the Lessor and Sublessor.

(B) Sublessee covenants to furnish to Sublessor and the respective Lessor, within 60 days after demand by Sublessor or such Lessor, proof of the payment of any tax, assessment, or other governmental or similar charge in respect of the Cars which is payable by Sublessee as provided in this Section.

Section 9. Reports and Inspection. Sublessee will furnish to the respective Lessor and to Sublessor on or before the 15th day of March, 1981, and annually thereafter if applicable, and at such other times as such Lessor or Sublessor shall reasonably request, during the continuance of this Sublease, a certificate signed by the President or any Vice President of Sublessee (an "Authorized Officer"), stating

(i) as of the preceding 31st day of December, (a) the car numbers of all Cars then subject to this Sublease, and (b) the car numbers of all Cars that have become lost, destroyed or damaged beyond repair or the title or use of which has been confiscated, requisitioned or taken during the period elapsed since the end of the period covered by the last previous such certificate (or since the date of delivery hereof in the case of the first such report), and

(ii) that, in the case of all Cars repainted or repaired during such period, the stencilled identification legends required to be placed thereon by Section 6 hereof have

been replaced or preserved on such Cars or that such Cars have been again stencilled as required by Section 6 and that the identifying symbol and the appropriate car number have been replaced or preserved on each side of each such Car in accordance with Section 7 hereof.

Sublessor and the respective Lessor shall have the right, by their authorized representatives, to inspect the Cars, at the sole but reasonable cost and expense of Sublessee, at such times as shall be reasonably necessary to confirm to such Lessor and Sublessor the existence and proper maintenance thereof during the continuance of this Sublease.

Section 10. Recording. Sublessee will promptly cause this Sublease and each supplement hereto to be filed with the Interstate Commerce Commission and to be filed, registered or recorded wherever else required (and thereafter will cause it to be refiled, reregistered or rerecorded whenever and wherever required) in each place in the United States of America for the proper protection, to the satisfaction of Sublessor and the respective Lessor, of such Lessor's title to the Cars under the laws of any jurisdiction within the United States; Sublessee will cause this Sublease and each supplement hereto to be filed, registered or recorded in such place outside the United States of America as such Lessor or Sublessor may reasonably request; and Sublessee will from time to time do and perform any other act and will execute, acknowledge, deliver,

file, register and record (and will refile, reregister and rerecord whenever required) any and all further instruments, required by law or reasonably requested by such Lessor or Sublessor, for the purpose of such protection of its title, or for the purpose of carrying out the intention of this Sublease and the respective Lease. Sublessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) all other instruments (including but not limited to the Indenture (as defined in the Alltank Lease), manufacturer's certificates of construction and interchange agreements) in such manner and in such places as shall be required by any present or future law, rule or regulation. Sublessor hereby appoints Sublessee its agent and attorney-in-fact for and in its name and behalf to execute, acknowledge, deliver, file, register and record (and refile, reregister and rerecord) any and all instruments that Lessor or Sublessor may be required by law to file, register and record and Sublessee agrees so to do. Sublessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of this Sublease and incident to the preparation, execution, filing, refiling, registering, reregistering, recording and rerecording of any such further instrument and incident to the taking of any such other action.

Section 11. Insurance; Indemnification.

(A) Sublessee agrees to obtain and maintain in full force and effect at its sole expense with insurers and in forms acceptable to Sublessor comprehensive general liability insurance connected with the use of the Cars to the extent of \$10,000,000 per occurrence against liability for bodily injury and \$10,000,000 per occurrence against liability for property damage. Such insurance shall include contractual liability insurance to the extent of such amounts to cover liability assumed by Sublessee under Section 11(B) hereof. Sublessee also agrees to maintain insurance against all risks of physical loss or damage on the Cars in the amount of \$5,000,000 per occurrence with a loss payable clause in favor of the respective Lessor, The National Shawmut Bank of Boston (as Trustee) or its successor, Bankers Trust Company (as Trustee) or its successors and Sublessor as their respective interests may appear. The insurance referred to in this Section 11(A) may be written with such deductible amounts as Sublessee deems appropriate, but not in excess of the lesser of (i) \$50,000 or (ii) deductible amounts applicable to insurance carried by Sublessee on other railroad rolling stock owned or operated by Sublessee. Sublessee agrees that insurance required hereunder of Sublessee shall be primary insurance with respect to any insurance that may be carried by Sublessor, the respective Lessor, the holder of any obligation or indebtedness secured under the

respective Leases or any assignments thereof and such Trustee. On the date hereof and by annually thereafter, Sublessee shall furnish to Sublessor the policy or policies of insurance required by this Section 11(A), or a certificate of insurance certifying all the requirements set forth in this Section. Such policy or policies, or such certificate, shall contain a provision requiring 30 days' prior written notice to the respective Lessor, the National Shawmut Bank of Boston (as Trustee) or its successor, Bankers Trust Company (as Trustee) or its successor and Sublessor, as the case may be, in the event of material change in coverage or cancellation thereof.

(B) Sublessee agrees to pay, and to protect, indemnify and save harmless, Sublessor and the respective Lessor, the holder of any obligation or indebtedness secured under the respective Leases or any assignment thereof and such Trustee from and against (i) any and all liabilities, damages, expenses (including, without limitation, attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever arising from injury to persons or property growing out of or connected with the ownership or use of the Cars or resulting from the condition thereof, and (ii) any liability for violation of any agreement or condition of this Sublease to be performed by Sublessee or of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Cars or the ownership or use thereof.

Section 12. Liens, Encumbrances and Charges; Certain Rights Upon Discharge.

(A) Subject to Sections 19 and 20(B), Sublessee will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance and charge upon the Cars or any thereof or upon Sublessee's leasehold interest therein, and Sublessee agrees to protect and defend the title of the respective Lessor to the Cars from any such liens, encumbrances and charges; provided that Sublessee shall not be required to discharge any lien, encumbrance or charge created by Sublessor or such Lessor or resulting from actions of Sublessor or such Lessor unless it is necessary for Sublessee to discharge such lien, encumbrance or charge in order to comply with paragraph (B) of this Section.

(B) Any other provision of this Sublease notwithstanding, if for any reason whatsoever, (i) any additional rent, including without limitation any sums payable under this Section 12(B) (all such rents and sums being hereinafter in this Section 12(B) collectively called the rentals), payable during the term of this Sublease, shall be diminished or subject to any diminution through attachment, claims, demand, charge, lien, levy, order, process, encumbrance or for any other reason, similar or dissimilar to the foregoing, or shall be subject to withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities

of any character, foreseen or unforeseen, incurred by or against any person, firm, corporation or entity whomsoever, including without limitation, Sublessor or the respective Lessor, or by reason of any claims, demands, charges or liens of any nature, foreseen or unforeseen, incurred by any person, including, without limitation, Sublessor or such Lessor, or against the rentals, or (ii) the payment in full of the rentals when the same are due and payable under this Sublease shall be delayed, hindered or prevented, or in any way adversely affected, or (iii) the use or application of the rentals by the respective Assignee or the respective Trustee shall be hindered, delayed or prevented or the right of such Assignee or such Trustee so to use or apply the same shall in any way be adversely affected, Sublessee will promptly pay as additional rent, and take any action and incur any additional expense that may be necessary to the proper application of, sums of money sufficient to (i) pay fully and discharge such taxes, assessments, expenses, indebtedness, obligations and liabilities and to eliminate or nullify the cause of such attachment, withholding, diminution, claim, demand, charge, lien, levy, order, process and encumbrance, and (ii) eliminate or prevent any delay, hindrance or obstacle in the payment in full of the rentals when the same are due and payable under this Sublease.

Section 13. Maintenance; Compliance with Laws and Rules; Ownership of Replaced Parts; Location of Certain Cars.
Sublessee agrees to maintain and keep the Cars in good mechanical

condition, repair and order, ordinary wear and tear excepted, at its own cost and expense. Sublessor or the respective Lessor shall not be required to make any repairs or replacements of any nature or description with respect to the Cars or to make any expenditure whatsoever in connection with this Sublease or to maintain the Cars.

Sublessee agrees to comply with all governmental laws, regulations and requirements, and with the Rules of Interchange of the Association of American Railroads (or of any successor thereto), with respect to the use, maintenance and operation of each Car; in case any equipment or appliance on any Car shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on any Car in order to comply with such laws, regulations, requirements and Rules, Lessee agrees to make such changes, additions and replacements; and Lessee agrees to maintain each Car in full compliance with such laws, regulations, requirements and Rules so long as it is subject to this Lease.

Any replacement parts installed upon the Cars by Sublessee shall belong to the respective Lessor during the term of the respective Leases and Lessor shall have full right, power and authority in respect of such property.

Sublessee agrees to notify Sublessor of the GCX identifying mark and location of each Car listed in Schedule A hereto used outside the United States during any month. Such

notice shall be in writing and shall be given within five business days after receipt by the Sublessee of a written request for such information by Sublessor, the Alltank Lessor or the Trustee under the Alltank Lease.

Section 14. Payment for Lost, Destroyed or Damaged Cars and for Cars Confiscated, Requisitioned or Taken.

(A) If any Car shall become lost, destroyed or damaged beyond repair or if any governmental or quasi-governmental authority shall confiscate, requisition or take the title to any Car, then on the last day of March, June, September or December next succeeding the day on which such loss, destruction, damage, confiscation, requisition or taking shall occur, Sublessee shall pay to Sublessor as additional rental an amount in cash equal to the unamortized value of such Car as set forth in Schedule I and Schedules A, B, C or D hereto, and such payment will be credited as a prepayment pursuant to the Promissory Notes dated of even date herewith and executed by Sublessee payable to the order of Sublessor, (the "Notes"). Sublessee may not effect a substitution pursuant to Section 15 hereof of any Car so lost, destroyed, damaged, confiscated, requisitioned or taken. If such prepayment is made by Sublessee, Sublessor shall*

(B) Whenever any such cash payment is made to Sublessor under this Section with respect to any Car, (i) as soon as released to Allied under the respective Lease, such Car shall thereafter no longer be deemed to be one of the Cars

*have no claim to any insurance proceeds payable to cover the value of the lost, destroyed or damaged cars.

subject to this Sublease, (ii) if such payment shall be made by reason of loss, damage or destruction, Sublessee shall be entitled to the proceeds of any settlement made by any insurance company, railroad company or other person, firm, corporation or entity in connection with such loss, destruction or damage beyond repair, whether such settlement is made with Sublessor, the respective Lessor or Sublessee, except that if such Lessor or Sublessor (with the consent of Sublessee) shall take out and pay for any policy of insurance on such Car, then such Lessor or Sublessor shall be entitled to the entire proceeds of any settlement made under such policy in connection with such loss, destruction or damage beyond repair, and (iii) if such payment shall be made by reason of any confiscation, requisition or taking, Sublessee shall be entitled to any award or compensation allowed or paid. Sublessor hereby irrevocably authorizes and empowers Sublessee, in the name of Sublessor or otherwise, to negotiate, accept, reject, file and prosecute any claim, including what would otherwise be such Lessor's or Sublessor's claim, for any award or compensation on account of any confiscation, requisition or taking referred to in this Section and to collect and receipt for the same. Sublessee shall bear the risk of and, except as provided in this Section, shall not be released from its obligations hereunder in the event of any loss, destruction, damage, confiscation, requisition or taking of any of the Cars for any cause

whatsoever after the acceptance of delivery thereof hereunder by the Sublessee. Sublessee shall bear all cost and expenses incurred in connection with the obtaining of any settlement or the obtaining of any award.

(C) Sublessee shall notify Sublessor in writing of the loss, destruction, irreparable damage, confiscation, requisition or taking of any Car promptly after the same shall occur.

Section 15. Substitution of Cars. Provided that Sublessee shall not be in default under this Sublease, and subject to any applicable provisions (including notice by the respective Lessor to the respective Trustee) of the respective Indenture, Sublessee at any time and from time to time upon 30 days' prior notice to such Lessor and Sublessor may substitute for any five or more Cars (in this Section termed "Replaced Cars") other railroad cars manufactured after the date of the respective Lease (in this Section termed "Substituted Cars"), provided that upon each substitution of cars:

(i) each Substituted Car shall have an estimated remaining useful life not less than the greatest estimated remaining useful life of any Replaced Car, as evidenced by a certificate of an Authorized Officer of Sublessee, dated not earlier than 10 days prior to the date of such substitution;

(ii) the aggregate fair market value of the

Substituted Cars, as certified by such Officer, shall be not less than the greater of (a) the aggregate fair market value of the Replaced Cars, certified in like manner, which certificate shall state the fair market value of each Substituted Car or (b) the aggregate of the purchase prices which would be payable by the Sublessor for the Replaced Cars in the event of its purchase of such Replaced Cars pursuant to Section 16(A) of the respective Lease;

(iii) neither the aggregate of the Basic Rent payable under the respective Lease nor the aggregate of the purchase prices payable by Sublessor upon its purchase of any Car pursuant to any provision of such Lease shall be changed by reason of any substitution of Cars, and the amounts of Basic Rent and unamortized cost as determined in accordance with such Lease attributable to the Replaced Cars shall be allocated to the Substituted Cars in the same proportion as the fair market value of each Substituted Car, as certified as aforesaid, shall bear to the fair market value of all Substituted Cars;

(iv) Sublessee shall deliver to the respective Lessor (with a copy to the Sublessor) a bill of sale for the Substituted Cars warranting that Sublessee has title thereto free and clear of all liens and encumbrances;

(v) Sublessee shall deliver to Sublessor and the respective Lessor an opinion of Sublessee's outside counsel

to the effect that Sublessee lawfully owns the Substituted Cars and has good and valid title thereto, free of all liens and encumbrances and as to the matters specified in Section 18 hereof;

(vi) Sublessee shall deliver to such Lessor (with a copy to the Sublessor) a certificate, dated not earlier than 10 days prior to the date of such substitution and signed by an Authorized Officer of Sublessee, setting forth the date of manufacture of each Substituted Car, the original cost thereof, the current book value thereof, the unamortized cost of each Replaced Car as determined as provided in the respective Leases and stating that the Sublessee intends to use the Substituted Cars in its business, and that the appropriate identifying legend, symbol and number have been placed on each Substituted Car as provided in Section 6 and Section 7 hereof;

(vii) Sublessee shall deliver to such Lessor (with a copy to Sublessor) on the date of substitution a certificate, dated such date, and signed by an Authorized Officer of Sublessee, to the effect that (a) the substitution has been duly authorized by Sublessee, (b) such Lessor and Sublessor have no unsatisfied obligations to Sublessee (other than those imposed on Lessor by such Lease), and no offset exists with respect to the sums payable by Sublessee hereunder and no default on the part of Sublessee exists hereunder and (c) the Substituted Cars

comply with all applicable laws, ordinances, rules and regulations and may be used for the purposes contemplated by the Sublessee;

(viii) Sublessee shall pay all taxes, including all sales and use taxes (except taxes measured by income) and expenses incurred by such Lessor, Sublessor and Sublessee upon or in connection with each such substitution of cars;

(ix) the provisions of Section 5.05 of the Indenture relating to the Alltank Lease shall be complied with, at Sublessee's expense and with Sublessor's cooperation; with the written consent of Sublessor, which consent shall not be unreasonably withheld, there shall be executed and delivered a supplement to the respective Lease in form and substance satisfactory to such Lessor and such Trustee

(a) conveying and transferring the Substituted Cars and confirming that they are subject to such Lease,

(b) amending the appropriate Schedule to such Lease so as to remove therefrom and terminate such Lease as to the Replaced Cars and to add thereto and make the Substituted Cars subject to the Lease,

(c) making such other changes in such Lease as may be necessary by reason thereof, and

(d) ratifying and confirming the Lease in all other respects; and

(x) Lessor under the Alltank Lease shall deliver

a bill of sale or other instrument conveying title to the Replaced Cars to Sublessee, provided that such Lessor shall not be obligated to give any better title than was conveyed to the Lessor at the time of Lessor's acquisition of title, and Sublessee shall accept such title subject to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by the Lessor and (ii) any laws, regulations and ordinances.

Section 16. Purchase Options in Favor of Sublessor Under the Respective Leases. Sublessor and Sublessee hereby agree as follows with respect to the exercise of the purchase options regarding the Cars under Section 16 of the respective Leases:

(A) Sublessor agrees to notify the respective Lessor of Sublessor's intention to terminate the term of the respective Leases of the Cars and to obtain the right, title and interest in the Cars pursuant to the terms of the respective Leases as of or prior to the following dates: (i) November 1, 1982 with respect to the Cars under the Alltank Lease listed in Schedule A, (ii) September 30, 1980 with respect to the Cars under the 1966 First Union Lease listed in Schedule B and the 1964 First Union Lease listed in Schedule C and (iii) July 29, 1980 with respect to the Cars listed under the 1962 First Union Lease listed in Schedule D.

(B) When Sublessor obtains the right, title and

interest of the Cars or portions thereof by exercise of any options or rights under the Lease or otherwise ("Purchase of the Cars"), Sublessor shall deliver to Sublessee written notice of such exercise or occurrence at the time it gives such notice to the respective Lessor.

(C) Sublessor hereby grants to Sublessee the right to purchase the Cars or portions thereof from Allied Chemical for the consideration of One Dollar (\$1) upon Sublessor's Purchase of the Cars. Sublessee hereby agrees that it shall exercise said right, and Sublessor and Sublessee agree to close Sublessee's purchase of such cars simultaneously with the closing of Sublessor's Purchase of the Cars. At the Closing, Sublessor shall sell such Cars to Sublessee upon the terms and conditions set forth in Section 17 hereof, conveying to Sublessee as good and marketable title to such Cars as Sublessor receives pursuant to Section 17 of the Alltank Lease and Section 18 of the other respective Leases. Sublessee's right, title and interest in the Cars shall be subject to the lien of Sublessor created by the Chattel Mortgage and Security Agreement and other Security documents dated of even date herewith and executed by Sublessee.

Section 17. Payment and Title Upon Purchase. In the event of any purchase of any one or more or all of the Cars by Sublessee pursuant to any provision of this Sublease, Sublessor shall not be obligated to give any better title than existed

at the time of the respective Lessor's acquisition of title, and Sublessee shall accept such title subject, however, to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by such Lessor or Sublessor and (ii) any laws, regulations and ordinances.

Sublessee shall tender to Sublessor the consideration for the purchase, and Sublessor shall deliver a bill of sale or other instrument conveying title to the Cars to be purchased to Sublessee pursuant to this Section. Sublessee shall pay all charges incident to any sale or transfer, including applicable federal, state or local taxes and the like. Title to such Cars shall be delivered to Sublessee at such place and time as Sublessor and Sublessee shall agree.

This Sublease shall not terminate on the date on which Sublessee shall be obligated to purchase the Cars to be purchased, nor shall Sublessee's obligations hereunder cease until Sublessee shall have discharged, or made provisions satisfactory to Sublessor for the discharge of, all other obligations and liabilities, actual or contingent, of Sublessee under this Sublease, which obligations and liabilities shall have arisen on or before the date for the Purchase of the Cars.

Section 18. Opinions of Counsel. Concurrently with the execution and delivery of this Sublease or any supplement thereto, Sublessee will deliver to Sublessor the written opinion of Sublessee's outside counsel, in form and substance satisfactory

to Sublessor and its counsel, to the effect that

(i) Sublessee is a corporation duly organized and validly existing under the laws of the State of Delaware and in good standing under the laws of the States of New Jersey and Delaware, with all requisite power and authority to enter into and perform this Sublease, including any supplement hereto, and to lease and operate the Cars;

(ii) this Sublease, including any supplement hereto, has been duly executed and delivered, pursuant to due authorization, by Sublessee and constitutes a valid and binding agreement legally enforceable against Sublessee in accordance with its terms and has been recorded or filed in all offices in which recording or filing is necessary to give notice or to protect the validity thereof under the laws of any jurisdiction within the United States;

(iii) no authorization, order, license, permit, franchise, or consent of, or registration, declaration or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Sublease and any supplement hereto or if any such approval, authorization, order, license, permit, franchise, consent, registration, declaration or filing is required, specifying the same and stating that the same has been obtained or made and is in full force and effect;

(iv) neither the execution or delivery of this Sublease

and any supplement hereto, nor performance hereof, nor the consummation of the transactions herein contemplated will conflict with or result in a breach of any of the terms, provisions or conditions of the certificate of incorporation or by-laws of Sublessee, or of any present statute or administrative regulation, or of any order, writ, injunction, judgment or decree of any court or governmental authority, or of any agreement or instrument to which Sublessee is a party or by which it is bound, or constitute a default thereunder, or result in the creation of any lien, charge or encumbrance upon the Sublessee's leasehold interest under this Sublease, including any supplement hereto, in the Cars pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Sublessee is a party or by which it may be bound; and

(v) as to such other matters incident to the transactions contemplated as Sublessor may reasonably request.

Section 19. Assignment and Subletting.

(A) With the prior written consent of the Sublessor, Sublessee may sublet the Cars and may renew, amend, release or cancel any sublease entered into pursuant to this Section; provided that no sublease shall affect or reduce any of the obligations of Sublessee hereunder, but this Sublease shall continue in full force and effect and all obligations of Sublessee hereunder shall continue in full force and effect as the

obligations of a principal and not as the obligation of a guarantor of surety. Neither this Sublease nor the term hereby demised and let shall be mortgaged by Sublessee nor shall Sublessee mortgage or pledge the interest of Sublessee in and to any sublease or the rentals payable thereunder. Any such mortgage and any such sublease or pledge made by Sublessee in violation of this Section shall be void.

(B) Sublessee may not assign or otherwise transfer or suffer or permit to be assigned or otherwise transferred by operation of law or otherwise, any of its rights and interest hereunder. Sublessor may assign any of its rights and interest hereunder and when assigned such rights shall vest in the assignee.

(C) Notwithstanding the provisions of paragraphs (A) and (B) of this Section, Sublessee, without the written consent of Sublessor may further sublet the Cars to LCP Transportation, Inc. or Linden Chemicals and Plastics, Inc. or to any wholly-owned Subsidiary of Linden Chemicals and Plastics, Inc.

Section 20. Default; Permitted Contests.

(A) If Sublessee at any time shall fail to make any payment or perform any act on its part to be made or performed under this Sublease, then Sublessor may (but shall not be obligated to), without notice to or demand upon Sublessee and without waiving or releasing Sublessee from any obligations or default of Sublessee hereunder, make any such payment or perform any such act for the account and at the expense of Sublessee. All sums so paid by Sublessor and all necessary and incidental costs and expenses (including, without limitation, reasonable

attorney's fees and expenses) incurred in connection with the performance of any such act by Sublessor, together with interest at the rate of 12% per annum from the date of the making of such payment or the incurring of such costs and expenses by Sublessor, shall be deemed additional rent hereunder and shall be payable by Sublessee to Sublessor, on demand, and Sublessee covenants to pay any such sum or sums with interest, as aforesaid.

(B) Sublessee shall not be required by any provision of this Sublease to pay, discharge or remove any tax, lien, assessment, or encumbrance, or any other imposition or charge on or against the Cars or any thereof, so long as Sublessee shall (after prior written notice to Sublessor and the respective Lessor) in good faith contest at its expense the same or the validity or amount thereof by appropriate legal proceedings which shall operate to prevent the collection or satisfaction of the tax, lien, assessment, encumbrance, imposition or charge so contested and the sale of the Cars or any thereof to satisfy the same, and pending any such proceedings Sublessor shall not

have the right to pay, remove, or cause to be discharged the tax, lien, assessment, encumbrance, imposition or charge thereby being contested, provided that Sublessee shall, prior to the date that any such item is claimed to be due and payable, have given such security as may be required in the proceedings and such reasonable security as may be demanded by the respective Lessor or Sublessor to insure such payment and prevent any sale or forfeiture of the Cars or any thereof by reason of such nonpayment, and provided further that such Lessor or Sublessor would not be in any substantial danger of civil or any danger of criminal liability by reason of such nonpayment.

Section 21. Events of Default. If any one or more of the following events (herein sometimes called "events of default") shall happen (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Sublessee from complying with the terms of this Sublease):

(i) default shall be made in the observance of any of the covenants, conditions and agreements on the part of Sublessee contained herein and such default shall continue for 30 days after written notice from the respective Lessor, or for 25 days after written notice from Sublessor, to Sublessee specifying the default and demanding the same to be remedied; or

(ii) the estate or interest of Sublessee in any

of the Cars shall be levied upon or attached in any proceeding and such process is not vacated or discharged within 60 days after such levy or attachment; or

(iii) a decree or order by a court having jurisdiction shall have been entered in a proceeding brought against Sublessee

(a) adjudging Sublessee a bankrupt or insolvent, or

(b) approving as properly filed a petition seeking reorganization of Sublessee under the federal bankruptcy act or any other state or federal law relating to bankruptcy or insolvency, or

(c) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of Sublessee or of its property or any substantial portion of its property, or

(d) for the winding up or liquidation of the affairs of Sublessee,

and such decree or order shall have remained in force undischarged and unstayed for 30 days (except that no period of time shall be necessary in the case of clause (a) above); or

(iv) Sublessee shall

(a) institute proceedings to be adjudged a voluntary bankrupt, or

(b) consent to the filing of a bankruptcy proceeding against it, or

(c) file a petition or answer or "consent seeking reorganization or readjustment under the federal bankruptcy act or any other state or federal law, other otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or

(d) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or its property or any substantial portion of its property, or

(e) make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or

(f) take any corporate action in furtherance of any of the aforesaid purposes or

(g) an event of default shall occur and be continuing under either of the Notes dated the date hereof from Sublessee to Sublessor (the "Notes"),

then, in any such case, Sublessor or the respective Lessor, at its option may

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Sublessee of the applicable covenants of this Sublease or to recover damages for the breach thereof; or

(2) by notice to Sublessee terminate the term of this Sublease, whereupon all right of Sublessee to the use of the Cars shall forthwith terminate as though this

Sublease had never been made, but Sublessee shall remain liable as hereinafter provided; and thereupon Sublessor or such Lessor may by its agents enter upon and take possession of all or any of the Cars and thenceforth hold, possess and enjoy the same free from any rights of Sublessee, or its successors or assigns, to use the same for any purposes whatever (including the right to sell the cars or any thereof upon any terms deemed satisfactory to Sublessor or such Lessor); but Sublessor and such Lessor shall, nevertheless, have the right to recover from Sublessee any and all amounts which under the terms of this Sublease may be then due or which may become due and unpaid for the use of the Cars and also to recover forthwith from Sublessee any damages or expenses, including reasonable attorneys' fees, which Sublessor and such Lessor shall have sustained by reason of the breach of any covenant or covenants of this Sublease. Sublessee hereby waives, to the full extent permitted by law, any right it may have to require the sale or lease, in mitigation of damages, of the Cars, but Sublessee shall be entitled to receive credit for any amount received in respect of such sale or lease.

Anything to the contrary hereinabove contained notwithstanding, any nonpayment of additional rent due hereunder, whether during the applicable period within which a default may be cured or for a longer period, and whether or not deemed a

default or violation of this Sublease, shall result in the obligation on the part of Sublessee to pay also an amount equal to 12% per annum of additional rent, as the case may be, for the period of time during which such additional rent shall be overdue.

The remedies in this Section provided in favor of Sublessor or such Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing under this Sublease or the respective Lease, at law or in equity. The Sublessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies in this Section provided, to the extent that such waiver is permitted by law. Extension of time for any payment of additional rent, acceptance of a part thereof or failure of Sublessor to enforce promptly any breach of this Sublease by Sublessee shall not constitute a waiver of any of Lessor's rights under this Section.

Section 22. No Claims Against Sublessor. Nothing contained in this Sublease shall constitute any consent or request by Sublessor, express or implied, for the performance of any labor or services in respect of the Cars or any thereof, nor as giving Sublessee any right, power or authority to contract for or permit the performance of any labor or services as would permit the making of any claim against Sublessor.

Section 23. Notices, Etc. During the term of this Sublease, all notices, demands, requests, approvals, consents, and other similar instruments of whatsoever kind or character to which Sublessor or the respective Lessor may be entitled or which may be required pursuant to this Sublease to be given to Sublessor or such Lessor shall be made and delivered to Sublessor or such Lessor. All such notices, demands, requests, approvals and other similar instruments under this Sublease shall be in writing, and shall be deemed to have been properly given if sent by United States registered or certified mail, postage prepaid, (i) if to Sublessee, addressed to Sublessee at its address set forth above, or at such other address as Sublessee from time to time may have designated by notice to Sublessor, (ii) if to Sublessor, addressed to Sublessor at its address set forth above, or at such other address as Sublessor may have designated from time to time by notice to Sublessee, and (iii) if to any respective Lessor, addressed to such Lessor at its respective address set forth above, or at such other address as such Lessor may have designated from time to time by notice to Sublessor, who in turn will notify Sublessee of such other address.

Section 24. Waiver, Discharge, Headings, Counterparts. If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Sublease and any other application of such

term or provision shall not be affected thereby. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The headings in this Sublease are for convenience of reference only and shall not define or limit the provisions hereof. This Sublease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 25. Construction. All capitalized terms used herein which are defined in the respective Leases shall have the definitions therein ascribed to them, except to such terms which are otherwise defined herein.

Section 26. New York Law. This Sublease shall be governed by and construed in accordance with the law of the State of New York.

Section 27. Successors. This Sublease shall be binding upon and inure to the benefit of the parties hereto and upon their respective successors and assigns.

Section 28. Amendments to the Respective Leases. Sublessor agrees that it will not amend, or consent to any amendment to, the respective Leases, where such amendments would materially adversely affect the rights or obligations of Sublessee under such Leases without the prior written consent

of Sublessee, except as otherwise expressly provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above set forth.

ALLIED CHEMICAL CORPORATION,
as Sublessor

[Seal]

Attest:

William R. Marshall
[Seal] Unit Secretary

Attest:

John Kandrasy
Secretary

By: W. McDonald

LCP CHEMICALS - WEST VIRGINIA, INC.
as Sublessee

By: Clarence H. House
Chairman & CEO

STATE OF NEW JERSEY)

ss.:

COUNTY OF MORRIS)

On this 1st day of May April, 1980, before me personally came
F. L. McDONALD to me personally known, who being
by me duly sworn, did depose and say that he resides at 11 CAMBRIDGE
ROAD, CONVENT STATION, N.J. CHEMICALS COMPANY
that he is EXEC. ASST. TO PRES. of Allied Chemical Corporation,
the corporation described in, and which executed, the above
Railroad Equipment Sublease and Agreement to Convey; that he
knows the seal of said corporation; that the seal affixed to
said Railroad Equipment Sublease and Agreement to Convey is such
corporate seal; that it was so affixed by order of the Board of
Directors of said corporation; and that he signed his name thereto
by like order.

Max S. Barbieri
Notary Public

MAX S. BARBIERI
A Notary Public of New Jersey
My Commission Expires Mar. 21, 1982

STATE OF NEW JERSEY)

ss.:

COUNTY OF MORRIS)

On this 1st day of May April, 1980, before me personally came
C. A. HANSEN, JR. to me personally known, who being
by me duly sworn, did depose and say that he resides at
ONE SCENIC DRIVE, ATLANTIC HIGHLANDS, N.J.
that he is CHAIRMAN OF THE BOARD of LCP Chemicals - West Virginia, Inc.,
the corporation described in, and which executed, the above
Railroad Equipment Sublease and Agreement to Convey; that he
knows the seal of said corporation; that the seal affixed to
said Railroad Equipment Sublease and Agreement to Convey is such
corporate seal; that it was so affixed by order of the Board of
Directors of said corporation; and that he signed his name thereto
by like order.

Max S. Barbieri
Notary Public

MAX S. BARBIERI
A Notary Public of New Jersey
My Commission Expires Mar. 21, 1982

SCHEDULE I

UNAMORTIZED VALUE OF CARS

On any payment date under the Note ("Note Payment Date") the Unamortized Value of any Car shall be an amount equal to the product of the percentage set forth in Column 2 below opposite such Note Payment Date times the Unamortized Value of such car, set forth in Schedules A, B, C or D, plus the installment due with respect to such Car on such Note Payment Date.

<u>Rent Payment Date</u>	<u>Column 2</u>	<u>Rent Payment Date</u>	<u>Column 2</u>
1	98.516%	21	59.660%
2	96.995	22	57.168
3	95.436	23	54.613
4	93.838	24	51.994
5	92.200	25	49.310
6	90.521	26	46.559
7	88.800	27	43.739
8	87.036	28	40.848
9	85.228	29	37.885
10	83.375	30	34.848
11	81.475	31	31.735
12	79.528	32	28.544
13	77.532	33	25.274
14	75.486	34	21.922
15	73.389	35	18.486
16	71.240	36	14.964
17	69.037	37	11.354
18	66.779	38	7.654
19	64.464	39	3.061
20	62.092	40	-0-

Railroad Equipment and Lease Agreement dated as of July 15, 1972 between Alltank Equipment Corp. and Allied Chemical Corporation as supplemented.*

<u>Number of Cars Per Group</u>	<u>Identifying Marks</u> <u>From</u> <u>To</u>	<u>Type of Service</u>	<u>Applicable Agreement or Amendment</u>	<u>Unamortized Value Per Group</u>
4	GCX 310200 310203	Caustic Soda	1972	44,000
1	310209	Caustic Soda	1972	11,000
1	310211	Caustic Soda	1972	11,000
1	310213	Caustic Soda	1972	11,000
1	416000	Caustic Soda	1972	20,000
2	416011 416012	Caustic Soda	1972	40,000
1	416014	Caustic Soda	1972	20,000
1	416017	Caustic Soda	1972	20,000
1	416024	Caustic Soda	1972	20,000
1	416027	Caustic Soda	1972	20,000
1	416030	Caustic Soda	1972	20,000
1	416034	Caustic Soda	1972	20,000
3	416036 416038	Caustic Soda	1972	60,000
1	416046	Caustic Soda	1972	20,000
1	416049	Caustic Soda	1972	26,000
1	416061	Caustic Soda	1972	26,000
1	416065	Caustic Soda	1972	26,000
<u>1</u>	416074	Caustic Soda	1972	<u>26,000</u>
24				441,000

10774 10/10/21/23

Railroad Equipment and Lease Agreement dated as of March 28, 1966 between First Union Properties, Inc. and Allied Chemical Corporation

<u>Number of Cars Per Group</u>	<u>Identifying Marks</u> <u>From</u> <u>To</u>	<u>Type of Service</u>	<u>Applicable Agreement or Amendment</u>	<u>Unamortized Value Per Group</u>
5	ACSX 616001-616005	Chloromethane	March, 1966	50,000
<u>3</u>	ACSX 616007-616009	Chloromethane	March, 1966	<u>30,000</u>
8				80,000

Railroad Equipment and Lease Agreement dated as of July 1, 1964 (hereinafter "July 1964") between First Union Properties, Inc. and Allied Chemical Corporation as supplemented.*

<u>Number of Cars Per Group</u>	<u>Identifying Marks</u> <u>From</u> <u>To</u>	<u>Type of Service</u>	<u>Applicable Agreement or Amendment</u>	<u>Unamortized Value Per Group</u>
1	ACSX 610212	Caustic Soda	July, 1964	8,000
1	610215	Caustic Soda	July, 1964	8,000
1	610218	Caustic Soda	July, 1964	8,000
2	610220 610221	Caustic Soda	July, 1964	16,000
<u>4</u>	67031 67034	Caustic Soda	July, 1964	<u>28,000</u>
9				68,000

Railroad Equipment and Lease Agreement dated as of October 2, 1962 between First Union Properties, Inc. and Allied Chemical Corporation as amended by Supplement No. 1 dated as of December 4, 1962 ("12/4/62")

<u>Number of Cars Per Group</u>	<u>Identifying Marks</u> <u>From</u> <u>To</u>	<u>Type of Service</u>	<u>Applicable Agreement or Amendment</u>	<u>Unamortized Value Per Group</u>
1	ACDX 9370	Chloromethane	October, 1962	5,000
1	9616	Chloromethane	October, 1962	5,000
1	9636	Chloromethane	October, 1962	5,000
1	9645	Chloromethane	October, 1962	5,000
1	9658	Chloromethane	October, 1962	5,000
1	9700	Chloromethane	October, 1962	5,000
1	9729	Chloromethane	October, 1962	5,000
1	9733	Chloromethane	October, 1962	5,000
1	9738	Chloromethane	October, 1962	5,000
1	9789	Chloromethane	October, 1962	5,000
1	9815	Chloromethane	October, 1962	5,000
1	9818	Chloromethane	October, 1962	5,000
1	9831	Chloromethane	October, 1962	5,000
1	9852	Chloromethane	October, 1962	5,000
1	9890	Chloromethane	October, 1962	5,000
1	9898	Chloromethane	October, 1962	5,000
1	9943	Chloromethane	October, 1962	5,000
1	9973	Chloromethane	October, 1962	5,000
1	410165	Chloromethane	October, 1962	5,000
1	410167	Chloromethane	October, 1962	5,000
1	91009	Chloromethane	October, 1962	5,000
1	91054	Chloromethane	October, 1962	5,000
1	91176	Chloromethane	October, 1962	5,000
1	91199	Chloromethane	October, 1962	5,000
1	91224	Chloromethane	October, 1962	5,000
1	91242	Chloromethane	October, 1962	5,000
1	68711	Chlorine	October, 1962	3,000
1	68793	Chlorine	October, 1962	5,000

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**Railroad Equipment Lease
and Agreement**

Dated as of July 15, 1972

BETWEEN

ALLTANK EQUIPMENT CORP.,
Lessor

AND

ALLIED CHEMICAL CORPORATION,
Lessee

RAILROAD EQUIPMENT LEASE AND AGREEMENT

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RAILROAD EQUIPMENT LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT, dated as of July 15, 1972, between ALLTANK EQUIPMENT CORP., a Delaware corporation ("Lessor"), having an address in care of Hubbard, Westervelt & Mottelay, Inc., 60 East 42nd Street, New York, New York 10017, and ALLIED CHEMICAL CORPORATION, a New York corporation ("Lessee"), with a principal office at Columbia Road and Park Avenue, Morris Township, New Jersey and post office address at P. O. Box 1219R, Morristown, New Jersey 07960.

WHEREAS, Lessor, Lessee and the institutions named in Exhibit A to the Note Purchase Agreement, dated as of July 15, 1972, have entered into said Note Purchase Agreement (the "Note Purchase Agreement") in order to finance the acquisition by Lessor of the Cars referred to below; and

WHEREAS, the Note Purchase Agreement provides, among other things, for the issuance of Series A Notes and Series B Notes (collectively, the "Notes") pursuant to an Indenture of Mortgage and Deed of Trust (the "Indenture") from Lessor to The National Shawmut Bank of Boston, as Trustee (herein, with any successor as Trustee under the Indenture, called the "Trustee"), the Notes to be secured by a first mortgage on said Cars (subject to Allied's rights under this Lease) and an assignment of this Lease;

Now, THEREFORE, Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents hereby lease to Lessee the railroad cars listed and described in Schedule A attached hereto and made a part hereof (the "Cars").

1. *Title.* Title to the Cars shall at all times remain in Lessor and at no time shall title become vested in Lessee, except as otherwise expressly provided in this Lease. This is a contract of lease only, and Lessee shall acquire no right, title or interest in or to the Cars, other than the right to use the same under the terms and conditions hereof.

2. *Delivery.* Lessee acknowledges delivery of the Cars to it as Lessee and its acceptance and possession hereunder. Lessee has exam-

ined and is familiar with Lessor's title to the Cars and has found the same to be satisfactory for all purposes hereunder. Lessor makes no warranty or representation whatsoever, express or implied, in respect of the Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to Lessor's title thereto or otherwise, it being agreed that all such risks are to be borne by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf and for the account of Lessee to make and enforce, from time to time, at Lessee's sole cost and expense, whatever claim or claims Lessor may have against the seller or the manufacturer of the Cars under any warranty, express or implied, in respect thereof.

3. *Term.* (A) *Basic Term.* Subject to the terms and provisions herein contained, this Lease shall be and remain in full force and effect for a basic term (the "Basic Term") commencing on the date of execution and delivery hereof (which shall be the same as the Closing Date described in the Note Purchase Agreement and is herein called the "Commencement Date") and ending at midnight on the twentieth anniversary of the Commencement Date.

(B) *Extended Term.* Lessor hereby grants to Lessee the right to extend the term of this Lease beyond the Basic Term for three successive periods of five years each (any such period being herein called an "Extended Term"), upon all of the terms and conditions set forth in this Lease, except that during any Extended Term, the Extended Term Rent (as defined in Section 4) shall be as set forth in Section 4 and except that the number of Extended Terms permitted hereunder shall be reduced by one upon each such extension so that the entire term of this Lease as so extended shall in no event extend beyond the thirty-fifth anniversary of the Commencement Date. Lessee shall exercise its right to extend the term of this Lease by delivering written notice of such extension to Lessor not less than 30 days prior to the expiration of the term of this Lease then in force; provided, however, that the time for the delivery of such notice by Lessee shall be extended for 30 days unless Lessor notifies Lessee within 120 days prior to the expiration of the term of this Lease then in force of the existence of the right to extend the term hereof, as provided in this Section 3(B). Lessor reserves to itself, in addition to the other rights

and remedies herein expressed or which are or may hereafter be conferred upon Lessor by law, the right to terminate this Lease and the leasehold estate hereby granted as provided in Section 21.

4. *Rent.* (A) *Basic Rent and Extended Term Rent.* Lessee shall pay to Lessor, without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the Trust Department of The National Shawmut Bank of Boston, 40 Water Street, Boston, Massachusetts 02109, or at such place or to such agent as Lessor from time to time may designate, the net basic rental (herein called the "Basic Rent" during the Basic Term and "Extended Term Rent" during any Extended Term). The Basic Rent for each Car shall be payable in 80 consecutive quarter-annual installments, each in an amount equal to 2.49051518% of the Lessor's Cost of such Car as listed in Schedule A ("Lessor's Cost"), commencing on the date which is three months after the Commencement Date (the dates on which installments of Basic Rent are payable are herein called "Basic Rent Payment Dates"); provided, however, that each installment of Basic Rent shall be at least equal to the aggregate amount of interest and principal payable on the Notes on the Basic Rent Payment Date on which such installment of Basic Rent is due. Extended Term Rent for each Car shall be payable in consecutive quarter-annual installments, each in an amount equal to 1/10 of 1% of the Lessor's Cost of such Car, commencing on the date which is three months after the beginning of any Extended Term and ending on the last day of such Extended Term (the dates on which installments of Extended Term Rent are payable are herein called "Extended Term Rent Payment Dates" and, together with the Basic Rent Payment Dates, the "Rent Payment Dates").

(B) *Additional Rent.* Lessee will also pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay, except that amounts payable as the purchase price for any or all of the Cars pursuant to any provision of this Lease and the amounts payable as liquidated damages referred to in Section 21 hereof shall not constitute additional rent. In the event of any failure on the part of Lessee to pay any of the same, Lessor shall have all rights, powers and remedies provided for herein or by law or equity

or otherwise in the case of nonpayment of the Basic Rent and Extended Term Rent. Lessee will also pay Lessor, on demand, as additional rent, interest at the rate of 9% per annum on all overdue installments of Basic Rent and Extended Term Rent from the due date thereof until payment.

(C) *No Set-Off.* Lessee shall pay Basic Rent, Extended Term Rent and additional rent without notice, demand, set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction and, except as otherwise expressly provided in Sections 14, 15 and 16 of this Lease, Lessee shall have no right to terminate this Lease or to be released, relieved or discharged from any obligations or liabilities hereunder for any reason whatsoever, including, without limitation: (i) any damage to, destruction, theft or loss of the Cars; (ii) any limitation, restriction, deprivation or prevention of, or any interference with, any use of the Cars; (iii) any confiscation, requisition or taking of the Cars by any governmental authority; (iv) any action, omission or breach on the part of Lessor, the Trustee or the holder of any Note under this Lease or under any other agreement at the time existing between the Lessee, the Lessor, the Trustee or such holder; (v) the breach of any warranty of the seller or the manufacturer of the Cars; (vi) any defect in Lessor's title to the Cars; (vii) any claim as a result of any other business dealings of Lessor, the Trustee, such holder or Lessee; or (viii) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or similar proceeding involving or affecting Lessor, the Trustee or such holder or any action with respect to this Lease which may be taken by any trustee or receiver of Lessor, the Trustee or such holder or by any court in any such proceeding; and Lessee hereby covenants and agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take any action to terminate the term of this Lease (except as expressly provided in Sections 14, 15 and 16), terminate this Lease, rescind or avoid this Lease, notwithstanding any of the foregoing. All payments by Lessee hereunder shall be final, and Lessee will not seek to recover any such payment or any part thereof for any reason whatsoever. Lessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate or surrender this Lease, or (ii) to any abatement, suspension, deferment, diminution or reduction of Basic Rent, Extended Term Rent or additional rent, on account of any such occurrence or otherwise.

5. *Mileage Allowances.* Lessee shall receive, in so far as applicable law and regulations allow, all mileage allowances, rentals and/or other compensation payable by carriers by reason of the use of the Cars (hereinafter called "Mileage"), and it is understood and agreed that if for any reason Lessor receives any Mileage, then (unless an event of default specified in Section 21 shall have occurred and be continuing) Lessor shall promptly remit such Mileage to Lessee.

6. *Identifying Legend.* Lessee shall cause to be plainly, distinctly, permanently and conspicuously stencilled upon each side of each Car the following words in letters not less than one inch in height:

"ALLTANK EQUIPMENT CORP., AS OWNER, LESSOR

THE NATIONAL SEAWMUT BANK OF BOSTON, AS TRUSTEE,
MORTGAGEE AND ASSIGNEE".

If during the continuance of this Lease any of such words shall at any time be defaced or destroyed on any Car, Lessee shall immediately cause such defaced or destroyed words to be restored or replaced. Lessee shall not allow the name of any person, firm, corporation or entity to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, firm, corporation or entity other than Lessor; but Lessee may letter the Cars with the names or initials or other insignia now or hereafter customarily used by Lessee on its railroad cars of the same or a similar type.

7. *Numbering.* Lessee has, prior to the Commencement Date, caused the identifying symbol GCX to be placed on, and one of Lessee's car numbers to be assigned to and placed on, each side of each such Car, such car numbers being as set forth in Schedule A hereof, and at all times after the Commencement Date Lessee will cause each Car subject to this Lease to bear on each side thereof such identifying symbol and the car number so assigned to it.

Lessee shall use its best efforts to cause the identifying legend required by Section 6 to be placed upon at least 60% in number of the Cars not later than six months after the Commencement Date and will cause all Cars to be so identified not later than one year after the Commencement Date. Lessee will furnish to Lessor (i) not later than six months after the Commencement Date a certificate with respect to

its compliance with the provisions of the preceding sentence and (ii) not later than one year after the Commencement Date a certificate to the effect that it has completed the placing upon all Cars of the legend required by Section 6.

8. *Taxes and Other Charges.* (A) Lessee shall duly pay to the governmental or other authority assessing, levying or imposing the same, as additional rent, before they become delinquent, all taxes, assessments and other governmental charges levied or assessed upon the Cars or the interest of Lessee therein or in respect thereof, the use or operation thereof or the earnings arising from the use or operation thereof, and all sales and use taxes which may be levied or assessed against Lessor or Lessee on account of the acquisition or leasing of the Cars, and shall promptly pay or reimburse Lessor for all taxes, assessments and other governmental charges levied or assessed against Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof, exclusive, however, of taxes on Lessor's income or on Mileage retained by Lessor (except any such tax on Lessor's income which is in substitution for, or relieves Lessee from the payment of, taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided, and except as otherwise provided in Section 12). In the event any tax reports are required to be made on the basis of individual Cars, Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

(B) Lessee covenants to furnish to Lessor, within 60 days after demand by Lessor, proof of the payment of any tax, assessment, or other governmental or similar charge in respect of the Cars which is payable by Lessee as in this Section provided.

9. *Reports and Inspection.* Lessee will furnish to Lessor on or before the 15th day of April, 1973, and annually thereafter, and at such other times as Lessor shall reasonably request, during the continuance of this Lease, a certificate signed by the Chairman of the Board, the President, a Vice President, the Treasurer or an Assistant Treasurer of Lessee (an "Authorized Officer"), stating

(i) as of the preceding 31st day of December, (a) the car numbers of all Cars then subject to this Lease, (b) the car numbers

of all Cars that have become lost, destroyed or damaged beyond repair or the title or use of which has been confiscated, requisitioned or taken during the period elapsed since the end of the period covered by the last previous such certificate (or since the date of delivery hereof in the case of the first such report), and

(ii) that, in the case of all Cars repainted or repaired during such period, the stencilled identification legends required to be placed thereon by Section 6 have been replaced or preserved on such Cars or that such Cars have been again stencilled as required by Section 6 and that the identifying symbol and the appropriate car number have been replaced or preserved on each side of each such Car in accordance with Section 7.

Lessor shall have the right, by its authorized representatives, to inspect the Cars, at the sole but reasonable cost and expense of Lessee, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of this Lease.

10. *Recording.* Lessee will promptly cause this Lease and each supplement hereto to be filed with the Interstate Commerce Commission and to be filed, registered or recorded wherever else required (and thereafter will cause it to be filed, registered or recorded and refiled, reregistered or rerecorded whenever and wherever required) in each place in the United States of America for the proper protection, to the satisfaction of Lessor, of Lessor's title to the Cars under the laws of any jurisdiction within the United States; Lessee will cause this Lease and each supplement hereto to be filed, registered or recorded in such places outside the United States of America as Lessor may reasonably request; and Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) any and all further instruments, required by law or reasonably requested by Lessor, for the purpose of such protection of its title, or for the purpose of carrying out the intention of this Lease. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) all other instruments (including but not limited to the Indenture, the Assignment, manufacturer's certificates of construc-

tion and interchange agreements) in such manner and in such places as shall be required by any present or future law, rule or regulation. Lessor hereby appoints Lessee its agent and attorney-in-fact for and in its name and behalf to execute, acknowledge, deliver, file, register and record (and refile, reregister and rerecord) any and all instruments (including the Indenture and the Assignment) that Lessor may be required by law to file, register and record and Lessee agrees so to do. Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of this Lease and incident to the preparation, execution, filing, refiling, registering, reregistering, recording and rerecording of any such further instrument and incident to the taking of any such other action.

11. *Insurance; Indemnification.* (A) Lessee agrees to maintain insurance against liability connected with the use of the Cars to the extent of \$1,000,000 per person and \$1,000,000 per occurrence against liability for bodily injury including death resulting therefrom and to the extent of \$1,000,000 per occurrence against liability for damage to property. Lessee agrees to maintain fire and extended coverage insurance on the Cars to the extent of \$5,000,000 per occurrence. The insurance referred to in this Section 11(A) may be written with such deductible amounts as Lessee deems appropriate but not in excess of deductible amounts applicable to insurance carried by Lessee on other railroad rolling stock owned or operated by Lessee.

(B) Lessee agrees to pay, and to protect, indemnify and save harmless Lessor, the holders of the Notes and the Trustee from and against: (i) any and all liabilities, damages, expenses (including, without limitation, attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever arising from injury to persons or property growing out of or connected with the ownership or use of the Cars or resulting from the condition thereof, and (ii) any liability for violation of any agreement or condition of this Lease to be performed by Lessee or of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Cars or the ownership or use thereof.

12. *Liens, Encumbrances and Charges; Certain Rights Upon Discharge.* (A) Subject to Sections 19 and 20(B), Lessee will not create or permit to be created or to remain, and will promptly discharge, at its

sole cost and expense, any lien, encumbrance and charge upon the Cars or any thereof or upon Lessee's leasehold interest therein, and Lessee agrees to protect and defend the title of Lessor to the Cars from any such liens, encumbrances and charges; provided that Lessee shall not be required to discharge any lien, encumbrance or charge created by Lessor or resulting from actions of Lessor, unless it is necessary for Lessee to discharge such lien, encumbrance or charge in order to comply with paragraph (B) of this Section.

(B) Any other provision of this Lease notwithstanding, if for any reason whatsoever, (i) the Basic Rent or any additional rent, including without limitation any sums payable under this Section 12(B) (all such rents and sums being hereinafter in this Section 12(B) collectively called the rentals), payable during the term of this Lease shall be diminished or subject to any diminution through attachment, claim, demand, charge, lien, levy, order, process, encumbrance or for any other reason, similar or dissimilar to the foregoing, or shall be subject to withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, foreseen or unforeseen, incurred by or against any person, firm, corporation or entity whomsoever, including, without limitation, the Lessor, or by reason of any claims, demands, charges or liens of any nature, foreseen or unforeseen, incurred by any person, including, without limitation, the Lessor, or against the rentals, so that the rentals would thereby be rendered inadequate or would be unavailable to meet the periodic installments of principal of, premium, if any, and interest on the Notes, or (ii) the payment in full of the rentals when the same are due and payable under this Lease shall be delayed, hindered or prevented, or in any way adversely affected, or (iii) the use or application of the rentals by the Trustee as provided in the Indenture shall be hindered, delayed or prevented or the right of the Trustee so to use or apply the same shall in any way be adversely affected, or (iv) the Trustee refuses so to apply the rentals because of a threatened or pending suit in any court as a result of which the Trustee in good faith considers it may have personal liability if it does so apply them, or (v) the holders of the Notes shall be subject to any liability or obligation to refund or pay over the rentals, then, in any such event, Lessee will promptly pay as additional rent, and take any action and incur any additional expense that may be necessary to the proper application of, sums of money sufficient to (i) pay fully and discharge such taxes,

assessments, expenses, indebtedness, obligations and liabilities and to eliminate or nullify the cause of such attachment, withholding, diminution, claim, demand, charge, lien, levy, order, process and encumbrance, (ii) eliminate or prevent any delay, hindrance or obstacle in the payment in full of the rentals when the same are due and payable under this Lease and in the use or application thereof by the Trustee as provided in the Indenture and (iii) protect fully the right of the Trustee to use or apply the rentals as provided in the Indenture, and will indemnify such Assignee against any personal liability which may arise from applying the rentals and the holders of the Notes against any liability or obligation to repay, or any loss in repaying, any moneys received from the Trustee. It is the intention of the parties hereto that the Basic Rent shall be received and enjoyed by Lessor or the Trustee thereof as an absolutely net sum, and that Lessee shall pay all charges which diminish said sum or render the same inadequate as aforesaid, so that the Basic Rent shall be available for application to the payment of the Notes, without diminution for any reason. In this connection Lessee agrees to pay annually, as additional rent, all costs and expenses, if any, of Lessor (not exceeding \$1,000 per year) incurred in the observance or fulfillment of any of its obligations under this Lease or the Indenture, including, without limitation, Lessor's franchise taxes and the annual (but not the initial) fees and expenses of the Trustee; all such costs and expenses in excess of \$1,000 per year shall be paid by Lessor.

(C) If Lessee shall pay any sum pursuant to Section 12(B) other than the costs and expenses referred to in the last sentence thereof as limited in such sentence, and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have a claim against Lessor to be reimbursed for such sum with interest thereon at 9% per annum from the date of such payment, provided that such claim shall not be enforceable under any circumstances during the Basic Term of this Lease, or if the principal of, premium, if any, and interest on the Notes shall not have been paid in full, but only shall be enforceable (provided that Lessee shall not then be in default under this Lease) during any Extended Term and then only by way of set off against (i) any Extended Term Rent or (ii) the purchase price payable by Lessee upon any purchase of the Cars or any of them pursuant to an offer which shall be made or an option which shall be exercised during any Extended term.

13. *Maintenance; Compliance with Laws and Rules; Ownership of Replaced Parts; Location of Certain Cars.* Lessee agrees to maintain and keep the Cars in good mechanical condition, repair and order, ordinary wear and tear excepted, at its own cost and expense. Lessor shall not be required to make any repairs or replacements of any nature or description with respect to the Cars or to make any expenditure whatsoever in connection with this Lease or to maintain the Cars.

Lessee agrees to comply with all governmental laws, regulations and requirements, and with the Rules of Interchange of the Association of American Railroads (or of any successor thereto), with respect to the use, maintenance and operation of each Car; in case any equipment or appliance on any Car shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on any Car in order to comply with such laws, regulations, requirements and Rules, Lessee agrees to make such changes, additions and replacements; and Lessee agrees to maintain each Car in full compliance with such laws, regulations, requirements and Rules so long as it is subject to this Lease.

Any replacement parts installed upon the Cars by Lessee shall belong to Lessor during the Basic Term and Lessor shall have full right, power and authority in respect of such property during the Basic Term. Upon the expiration of the Basic Term, provided that Lessee shall not be in default under this Lease, Lessor shall, upon notice of Lessee's desire to reacquire any such replacement parts, transfer and convey the same to Lessee.

Lessee agrees to notify the Company of the GCX identifying mark and location of each Car (other than a Car in Category XXIV in Schedule A attached hereto) used outside the United States during any month. Such notice shall be in writing and shall be given within five business days after receipt by the Lessee of a written request for such information by the Company or by the Trustee.

14. *Payment for Lost, Destroyed or Damaged Cars and for Cars Confiscated, Requisitioned or Taken.* (A) If any Car shall become lost, destroyed or damaged beyond repair or if any governmental or quasi-governmental authority shall confiscate, requisition or take the title to any Car, then, on the Rent Payment Date next succeeding the day on which such loss, destruction, damage, confiscation, requisition or taking shall occur, Lessee shall pay to the Lessor, as damages in lieu of any further claim of Lessor to or on account of such Car, an amount in cash equal to the Unamortized Cost of such Car on such Rent Payment Date as determined in accordance with Schedule B.

(B) Whenever any such cash payment is made to Lessor under this Section with respect to any Car, (i) the Basic Rent or Extended Term Rent payable with respect to such Car on each Rent Payment Date occurring after the Rent Payment Date on which such payment of damages by Lessee shall occur shall be abated with respect to such Car, (ii) such Car shall thereafter no longer be deemed to be one of the Cars subject to this Lease, (iii) if such payment of damages shall be made by reason of loss, damage or destruction, Lessee shall be entitled to the proceeds of any settlement made by any insurance company, railroad company or other person, firm, corporation or entity in connection with such loss, destruction or damage beyond repair, whether such settlement is made with Lessor or Lessee, except that if Lessor (with the consent of Lessee) shall take out and pay for any policy of insurance on such Car, then Lessor shall be entitled to the entire proceeds of any settlement made under such policy in connection with such loss, destruction or damage beyond repair, and (iv) if such payment of damages shall be made by reason of any confiscation, requisition or taking, Lessee shall be entitled to any award or compensation allowed or paid. Lessor hereby irrevocably authorizes and empowers Lessee, in the name of Lessor or otherwise, to negotiate, accept, reject, file and prosecute any claim, including what would otherwise be Lessor's claim, for any award or compensation on account of any confiscation, requisition or taking referred to in this Section and to collect and receipt for the same. Lessee shall bear the risk of and, except as hereinabove in this Section provided, shall not be released from its obligations hereunder in the event of, any loss, destruction, damage, confiscation, requisition or taking of any of the Cars for any cause whatsoever after the acceptance of delivery thereof hereunder by the Lessee. Lessee shall bear all costs and expenses incurred in connection with the obtaining of any settlement or the obtaining of any award.

(C) Lessee shall notify Lessor of the loss, destruction, irreparable damage, confiscation, requisition or taking of any Car promptly after the same shall occur.

15. *Substitution of Cars.* Provided that Lessee shall not be in default under this Lease, and subject to any applicable provisions (including notice by Lessor to the Trustee) of the Indenture, Lessee at any time and from time to time upon 30 days' prior notice to Lessor may substitute for any five or more Cars (in this Section termed "Re-

placed Cars'') other railroad cars manufactured after the date of this Lease (in this Section termed "Substituted Cars"), provided that upon each substitution of cars:

(i) each Substituted Car shall have an estimated remaining useful life not less than the greatest estimated remaining useful life of any Replaced Car, as evidenced by a certificate of an Authorized Officer of Lessee, dated not earlier than 10 days prior to the date of such substitution;

(ii) the aggregate fair market value of the Substituted Cars, as certified by such Officer, shall be not less than the greater of (a) the aggregate fair market value of the Replaced Cars, certified in like manner, which certificate shall state the fair market value of each Substituted Car or (b) the aggregate of the purchase prices which would be payable by the Lessee for the Replaced Cars in the event of its purchase of such Replaced Cars pursuant to Section 16(A);

(iii) neither the aggregate of the Basic Rent payable hereunder by Lessee nor the aggregate of the purchase prices payable by Lessee upon its purchase of any Car pursuant to any provision of this Lease shall be changed by reason of any substitution of Cars, and the amounts of Basic Rent and Unamortized Cost as determined in accordance with Schedule B attributable to the Replaced Cars shall be allocated to the Substituted Cars in the same proportion as the fair market value of each Substituted Car, as certified as aforesaid, shall bear to the fair market value of all Substituted Cars;

(iv) Lessee shall deliver to Lessor a bill of sale for the Substituted Cars warranting that Lessee has title thereto free and clear of all liens and encumbrances;

(v) Lessee shall deliver to Lessor an opinion of Lessee's General Counsel or an Assistant General Counsel to the effect that Lessee lawfully owns the Substituted Cars and has good and valid title thereto, free of all liens and encumbrances and as to the matters specified in Section 18;

(vi) Lessee shall deliver to Lessor a certificate, dated not earlier than 10 days prior to the date of such substitution and

signed by an Authorized Officer of Lessee, setting forth the date of manufacture of each Substituted Car, the original cost thereof, the current book value thereof, the Unamortized Cost of each Replaced Car as determined as provided in Schedule B and stating that the Lessee intends to use the Substituted Cars in its business, and that the appropriate identifying legend, symbol and number have been placed on each Substituted Car as provided in Section 6 and Section 7;

(vii) Lessee shall deliver to Lessor on the date of substitution a certificate, dated such date, and signed by an Authorized Officer of Lessee, to the effect that (a) the substitution has been duly authorized by Lessee, (b) Lessor has no unsatisfied obligations to Lessee (other than those imposed on Lessor by this Lease), that no offset exists with respect to the Basic Rent (or Extended Term Rent if an Extended Term then be in effect) or other sums payable by Lessee hereunder and no default on the part of Lessee exists hereunder and (c) the Substituted Cars comply with all applicable laws, ordinances, rules and regulations and may be used for the purposes contemplated by the Lessee;

(viii) Lessee shall pay all taxes, including all sales and use taxes (except taxes measured by income) and expenses incurred by Lessor and Lessee upon or in connection with each such substitution of cars;

(ix) the provisions of Section 5.05 of the Indenture shall be complied with, at Lessee's expense, and there shall be executed and delivered a supplement to this Lease in form and substance satisfactory to the Lessor and the Trustee

(a) conveying and transferring the Substituted Cars and confirming that they are subject to this Lease,

(b) amending Schedule A so as to remove therefrom and terminate this Lease as to the Replaced Cars and to add thereto and make the Substituted Cars subject to this Lease,

(c) making such other changes in this Lease as may be necessary by reason thereof, and

(d) ratifying and confirming this Lease in all other respects; and

(x) Lessor shall deliver a bill of sale or other instrument conveying title to the Replaced Cars to Lessee, provided that Lessor shall not be obligated to give any better title than was conveyed to Lessor at the time of Lessor's acquisition of title, and Lessee shall accept such title subject to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by Lessor and (ii) any laws, regulations and ordinances.

16. *Purchase Options.* (A) At any time after the fortieth Basic Rent Payment Date, but not before, provided that Lessee shall not be in default under this Lease, if in the judgment of the Executive Committee of the Board of Directors of Lessee the continued use of any of the Cars shall be uneconomic in the conduct of Lessee's business, then Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to such Cars on the next succeeding Rent Payment Date, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars for cash on such Rent Payment Date at a price equal to their Unamortized Cost on such Rent Payment Date as determined in accordance with Schedule B. Such notice and undertaking shall be accompanied by a certificate, signed by an Authorized Officer of Lessee, to the effect that the Executive Committee of the Board of Directors of Lessee has determined that the further use of such Cars is uneconomic in the conduct of Lessee's business. Lessee shall deliver such notice, undertaking and certificate to Lessor at least 30 days prior to the proposed date of termination. On such date of termination, Lessor shall sell all such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 17 and Lessee shall pay to Lessor in cash the purchase price therefor.

(B) In addition to its rights under paragraph (A) of this Section, at any time after the fortieth Basic Rent Payment Date, but not before, provided that Lessee shall not be in default under this Lease, Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to any of the Cars on the next succeeding Rent Payment Date, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars for cash on

such Rent Payment Date at a price equal to their Unamortized Cost on such Rent Payment Date as determined in accordance with Schedule B plus the amount specified in the last sentence of this paragraph (B). Lessee shall deliver such notice and undertaking to Lessor at least 30 days prior to the proposed date of termination. On such date of termination, Lessor shall sell such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 17 and Lessee shall pay to Lessor in cash the purchase price therefor. During the Basic Term, such purchase price shall, in addition to an amount (the "Termination Amount") equal to the product of the percentage set forth in Column 2 of Schedule B opposite such Rent Payment Date times Lessor's Cost of such Cars, include an amount equal to the product of the applicable percentage set forth below times the Termination Amount:

If Purchased on Basic Rent Payment Date Number	Percentage of Termination Amount	If Purchased on Basic Rent Payment Date Number	Percentage of Termination Amount
41 -----	4.0%	61 -----	2.0%
42 -----	3.9	62 -----	1.9
43 -----	3.8	63 -----	1.8
44 -----	3.7	64 -----	1.7
45 -----	3.6	65 -----	1.6
46 -----	3.5	66 -----	1.5
47 -----	3.4	67 -----	1.4
48 -----	3.3	68 -----	1.3
49 -----	3.2	69 -----	1.2
50 -----	3.1	70 -----	1.1
51 -----	3.0	71 -----	1.0
52 -----	2.9	72 -----	0.9
53 -----	2.8	73 -----	0.8
54 -----	2.7	74 -----	0.7
55 -----	2.6	75 -----	0.6
56 -----	2.5	76 -----	0.5
57 -----	2.4	77 -----	0.4
58 -----	2.3	78 -----	0.3
59 -----	2.2	79 -----	0.2
60 -----	2.1	80 -----	0.0

During any Extended Term, such purchase price shall, in addition to the Termination Amount, include an amount equal to $\frac{1}{2}$ of 1% of

Lessor's Cost of such Cars or, if less, the fair market value of such Cars as agreed by the Lessor and the Lessee or, in the absence of such agreement, as determined by an independent appraiser agreed upon by the Lessor and the Lessee.

(C) Anything in this Lease to the contrary notwithstanding, no purchase of Cars may be made at any time during the Basic Term by the use of funds acquired, directly or indirectly, as a result of or in anticipation of the incurring of any debt which has an interest cost to the Lessee of less than 7.90% per annum.

(D) Whenever any cash payment is made to Lessor under Paragraph (A) or (B) of this Section with respect to the purchase price of any Car, the Basic Rent or Extended Term Rent payable with respect to such Car on each Rent Payment Date occurring after the Rent Payment Date on which such payment shall occur shall be abated with respect to such Car and such Car shall thereafter no longer be deemed one of the Cars subject to this Lease.

17. *Payment and Title Upon Purchase.* In the event of any purchase of any one or more or all of the Cars by Lessee pursuant to any provision of this Lease, Lessor shall not be obligated to give any better title than existed at the time of Lessor's acquisition of title, and Lessee shall accept such title subject, however, to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by Lessor and (ii) any laws, regulations and ordinances.

Lessee shall tender to Lessor the consideration for the purchase, and Lessor shall deliver a bill of sale or other instrument conveying title to the Cars to be purchased to Lessee pursuant to this Section. Lessee shall pay all charges incident to any sale or transfer, including applicable federal, state or local taxes and the like. Title to such Cars shall be delivered to Lessee at such place and time as Lessor and Lessee shall agree.

This Lease shall not terminate on the date on which Lessee shall be obligated to purchase the Cars to be purchased, nor shall Lessee's obligations hereunder cease until Lessee shall have paid the purchase price then payable for the Cars to be purchased (without regard to whether or not any delay in such purchase shall be due to the fault of Lessor), without set-off, counterclaim, deduction, defense, abatement,

suspension, deferment, diminution or deduction by reason of any taxes expenses, indebtedness, obligations, claims, demands, charges and lien of any character incurred by any person or for any other reason, and until Lessee shall have discharged, or made provisions satisfactory to Lessor for the discharge of, all other obligations and liabilities, actual or contingent, of Lessee under this Lease, which obligations and liabilities shall have arisen on or before the date for the purchase of the Cars to be purchased.

18. *Opinion of Counsel.* Concurrently with the execution and delivery of this Lease and of any supplement hereto, Lessee will deliver to Lessor the written opinion of Lessee's General Counsel or an Assistant General Counsel, in form and substance satisfactory to Lessor and its counsel, to the effect that

(i) Lessee is a corporation duly organized and validly existing and in good standing under the laws of the State of New York, with all requisite power and authority to enter into and perform this Lease, including any supplement hereto, and to lease and operate the Cars;

(ii) this Lease, including any supplement hereto, has been duly executed and delivered, pursuant to due authorization, by Lessee and constitutes a valid and binding agreement legally enforceable against Lessee in accordance with its terms and has been recorded or filed in all offices in which recording or filing is necessary to give notice or to protect the validity thereof under the laws of any jurisdiction within the United States;

(iii) no authorization, order, license, permit, franchise, or consent of, or registration, declaration or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Lease and any supplement hereto or if any such approval, authorization, order, license, permit, franchise, consent, registration, declaration or filing is required, specifying the same and stating that the same has been obtained or made and is in full force and effect;

(iv) neither the execution or delivery of this Lease and any supplement hereto, nor performance hereof, nor the consummation

of the transactions herein contemplated will conflict with or result in a breach of any of the terms, provisions or conditions of the certificate of incorporation or by-laws of Lessee, or of any present statute or administrative regulation, or of any order, writ, injunction, judgment or decree of any court or governmental authority, or of any agreement or instrument to which Lessee is a party or by which it is bound, or constitute a default thereunder, or result in the creation of any lien, charge or encumbrance upon the Lessee's leasehold interest under this Lease, including any supplement hereto, in the Cars pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it may be bound; and

(v) as to such other matters incident to the transactions contemplated as Lessor may reasonably request, provided that no opinion need be expressed as to the effect of the laws of Canada or Mexico on the transactions contemplated hereby.

19. *Assignment and Subletting.* Lessee may sublet the Cars and may assign or otherwise transfer all of its rights and interests hereunder and may renew, amend, release or cancel any sublease, assignment or transfer entered into pursuant to this Section; provided that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessee hereunder, but this Lease shall continue in full force and effect and all obligations of Lessee hereunder shall continue in full force and effect as the obligations of a principal and not as the obligations of a guarantor or surety. Neither this Lease nor the term hereby demised and let shall be mortgaged by Lessee nor shall Lessee mortgage or pledge the interest of Lessee in and to any sublease or the rentals payable thereunder. Any such mortgage and any such assignment, transfer, sublease or pledge made by Lessee in violation of this Section shall be void.

20. *Default; Permitted Contests.* (A) If Lessee at any time shall fail to make any payment or perform any act on its part to be made or performed under this Lease, then Lessor may (but shall not be obligated to), without notice to or demand upon Lessee and without waiving or releasing Lessee from any obligations or default of Lessee hereunder,

make any such payment or perform any such act for the account and at the expense of Lessee. All sums so paid by Lessor and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Lessor, together with interest at the rate of 9% per annum from the date of the making of such payment or the incurring of such costs and expenses by Lessor, shall be deemed additional rent hereunder and shall be payable by Lessee to Lessor on demand, and Lessee covenants to pay any such sum or sums with interest, as aforesaid.

(B) Lessee shall not be required by any provision of this Lease to pay, discharge or remove any tax, lien, assessment, or encumbrance or any other imposition or charge on or against the Cars or any thereof so long as Lessee shall (after prior written notice to Lessor) in good faith contest at its expense the same or the validity or amount thereof by appropriate legal proceedings which shall operate to prevent the collection or satisfaction of the tax, lien, assessment, encumbrance, imposition or charge so contested and the sale of the Cars or any thereof to satisfy the same, and pending any such proceedings Lessor shall not have the right to pay, remove, or cause to be discharged the tax, lien, assessment, encumbrance, imposition or charge thereby being contested, provided that Lessee shall, prior to the date that any such item is claimed to be due and payable, have given such security as may be required in the proceedings and such reasonable security as may be demanded by Lessor to insure such payment and prevent any sale or forfeiture of the Cars or any thereof by reason of such nonpayment and provided further that Lessor would not be in any substantial danger of civil or any danger of criminal liability by reason of such nonpayment.

21. *Events of Default.* If any one or more of the following ever (herein sometimes called "events of default") shall happen (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before an administrative tribunal, which have or might have the effect of preventing Lessee from complying with the terms of this Lease):

(i) default shall be made in the payment when due of Base Rent or Extended Term Rent; or

(ii) default shall be made in the observance of any other of the covenants, conditions and agreements on the part of Lessee contained herein and such default shall continue for 30 days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied; or

(iii) the estate or interest of Lessee in any of the Cars shall be levied upon or attached in any proceeding and such process is not vacated or discharged within 60 days after such levy or attachment; or

(iv) any representation or warranty of Lessee set forth in the Note Purchase Agreement shall prove to be incorrect in any material respect as of the time when the same shall have been made; or

(v) a decree or order by a court having jurisdiction shall have been entered in a proceeding brought against Lessee

(a) adjudging Lessee a bankrupt or insolvent, or

(b) approving as properly filed a petition seeking reorganization of Lessee under the Bankruptcy Act or any other state or federal law relating to bankruptcy or insolvency, or

(c) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of Lessee or of its property or any substantial portion of its property, or

(d) for the winding up or liquidation of the affairs of Lessee,

and such decree or order shall have remained in force undischarged and unstayed for 30 days (except that no period of time shall be necessary in the case of clause (a) above); or

(vi) Lessee shall

(a) institute proceedings to be adjudged a voluntary bankrupt, or

(b) consent to the filing of a bankruptcy proceeding against it, or

(c) file a petition or answer or consent seeking reorganization or readjustment under the Federal Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or

(d) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or

(e) make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or

(f) take any corporate action in furtherance of any of the aforesaid purposes;

then, in any such case, Lessor, at its option may

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice to Lessee terminate the term of this Lease, whereupon all right of Lessee to the use of the Cars shall forthwith terminate as though this Lease had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon and take possession of all or any of the Cars and thenceforth hold, possess and enjoy the same free from any rights of Lessee, or its successors or assigns, to use the same for any purposes whatever (including the right to sell the Cars or any thereof upon any terms deemed satisfactory to Lessor); but Lessor shall, nevertheless, have the right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid, including all Basic Rent or Extended Term Rent becoming due after the date of default until the date of termination of the term of this Lease as provided in this subdivision (2), for the use of the Cars and also to recover forthwith from Lessee (i) as

damages for loss of a bargain and not as a penalty, (x) a sum equal to the total of all installments of Basic Rent due on all Basic Rent Payment Dates after the date of default and not theretofore paid (but in any event, not less than an amount equal to the unpaid principal amount of, premium, if any, and interest (including interest on overdue principal or interest) on the Notes at the time outstanding) and (y) if such default occurs after the commencement of any Extended Term all Extended Term Rent due on all Extended Term Rent Payment Dates for such Extended Term after the date of default and not theretofore paid, discounted on the basis of a rate of 9% per annum, compounded annually, and (ii) any damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of Basic Rent or Extended Term Rent. Lessee hereby waives, to the full extent permitted by law, any right it may have to require the sale or lease, in mitigation of damages, of the Cars, but Lessee shall be entitled to receive credit for any amount received in respect of such sale or lease.

Anything to the contrary hereinabove contained notwithstanding, any nonpayment of Basic Rent, Extended Term Rent or additional rent due hereunder, whether during the applicable period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of Lessee to pay also an amount equal to 9% per annum of the overdue Basic Rent, Extended Term Rent or additional rent, as the case may be, for the period of time during which such Basic Rent, Extended Term Rent or additional rent shall be overdue.

The remedies in this Section provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing under this Lease, at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies in this Section provided, to the extent that such waiver is permitted by law. Extension of time for any payment of Basic Rent, Extended Term Rent or additional rent, acceptance of a part thereof or

failure of Lessor to enforce promptly any breach of this Lease by Lessee shall not constitute a waiver of any of Lessor's rights under this Section.

22. *Acceptance of Surrender; Redelivery.* No surrender to Lessor of this Lease or of the Cars or any thereof or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by a representative or agent of Lessor, and no act by Lessor, other than such a written agreement and acceptance by Lessor, shall constitute an acceptance of any such surrender. Upon the termination of the term of this Lease with respect to all the Cars by reason of expiration of the stated term hereof, such Cars shall be delivered to Lessor at such place and time as Lessor and Lessee shall agree.

23. *No Claims Against Lessor.* Nothing contained in this Lease shall constitute any consent or request by Lessor, express or implied, for the performance of any labor or services in respect of the Cars or any thereof, nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services as would permit the making of any claim against Lessor.

24. *Notices, etc.* During the term of this Lease, all notices, demands, requests, approvals, consents, and other similar instruments of whatsoever kind or character to which Lessor may be entitled or which may be required pursuant to this Lease to be given to Lessor shall be made and delivered to Lessor at its address set forth above or at such other address as Lessor shall notify Lessee. All such notices, demands, requests, approvals and other similar instruments under this Lease shall be in writing, and shall be deemed to have been properly given if sent by United States registered mail, postage prepaid, (i) if to Lessee, addressed to Lessee at its address set forth above, or at such other address as Lessee from time to time may have designated by notice to Lessor, and (ii) if to Lessor, addressed to Lessor at its address set forth above, or at such other address as Lessor may have designated, from time to time, by notice to Lessee.

25. *Waiver, Discharge.* If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the re

mainder of this Lease and any other application of such term or provision shall not be affected thereby. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

26. *Assignment of Lessor's Interest.* Concurrently with the execution and delivery of this Lease, Lessor is assigning to the Trustee as security for the Notes all of its rights and interests under this Lease pursuant to an Assignment of Lease and Agreement dated as of the date hereof, among Lessor, Lessee and the Trustee. Lessee hereby confirms its consent and agreement to said assignment and agrees that (i) the Trustee may enforce any and all of the terms of this Lease, to the extent so assigned, as though the Trustee had been a party hereto, (ii) no action or failure to act on the part of Lessor shall adversely affect or limit any rights of the Trustee, (iii) such Assignment shall not release Lessor from any of its obligations under this Lease nor constitute an assumption of any such obligations on the part of the Trustee, (iv) no Basic Rent may be prepaid prior to the due date thereof without the prior written consent of the Trustee, (v) no termination, amendment or modification of this Lease and no waiver of any of the terms and provisions hereof shall be valid unless consented to in writing by the Trustee, (vi) all notices, demands, consents, requests, approvals or other instruments given by Lessee hereunder shall also be delivered to the Trustee, and (vii) whenever the term Lessor is used herein, it shall, when appropriate, include the Trustee.

27. *New York Law.* This Lease shall be governed by and construed in accordance with the law of the State of New York.

28. *Successors.* This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above set forth.

ALLTANK EQUIPMENT CORP.

By _____
Vice President

Attest:

Assistant Secretary

ALLIED CHEMICAL CORPORATION

By _____
Vice President

Attest:

Assistant Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 26th day of July, 1972, before me personally came _____, to me known, who being by me duly sworn, did depose and say that he resides at 211-11 13 Ave, Bayside, N.Y.; that he is a Vice President of ALLTANK EQUIPMENT CORP., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the directors of said corporation; and that he signed his name thereto by like order.

Joy Mastromauro
Notary Public
JOY MASTROMAURO
Notary Public, State of New York
No. 41-7757605
Qualified in Queens County
Commission Expires March 30, 1974

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On the 24th day of July, 1972, before me personally came DAVID B. LOVEJOY, to me known, who being by me duly sworn, did depose and say that he resides at 29 Kings Hill Court, Summit, New Jersey; that he is a Vice President of ALLIED CHEMICAL CORPORATION, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the directors of said corporation; and that he signed his name thereto by like order.

Lillian De Mayo
Notary Public

LILLIAN DE MAYO
Notary Public, State of New York
No. 24-0916080
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1973

SCHEDULE A TO ASSIGNED LEASE

DESCRIPTION OF THE CARS

Category	Number of Cars	GCX Identifying Marks		Description		Type of Service	Date of Acquisition	Lessor's Cost	
		From	To	D.O.T. Spec.	Capacity			Per Car	Per Category
I	7	210100	210106	111A 100 W5	10,000 gal.	Muriatic Acid	May 1966	\$11,752	\$ 82,264
II	5	944600	944604	LO—Hopper	4,650 cu. ft.	P.V.C.	Mar. 1967	12,484	62,420
III	5	945254	945258	LO—Hopper	5,250 cu. ft.	Soda Ash	Aug. 1967	12,609	63,045
IV	5	945259	945263	LO—Hopper	5,250 cu. ft.	Soda Ash	Aug. 1967	12,685	63,426
V	10	310200	310201	103W	10,000 gal.	Caustic Soda	June 1967	12,964	129,644
		310203	310210						
VI	5	310202		103W	10,000 gal.	Caustic Soda	June 1967	12,924	64,621
		310211	310214						
VII	10	410400	410409	111A 100 W2	10,000 gal.	Oleum	Nov. 1967	13,191	131,909
VIII	2	433001	433002	112A 340 W	33,500 gal.	L.P.G.	Dec. 1967	17,106	34,211
IX	7	945200	945206	LO—Hopper	5,250 cu. ft.	P.V.C. or Polyethelene	Dec. 1967	14,831	103,816
X	40	945207	945246	LO—Hopper	5,250 cu. ft.	P.V.C. or Polyethelene	Feb.-Apr. 1968	14,819	592,764
XI	1	433000		112A 340 W	33,500 gal.	L.P.G.	Mar. 1968	18,399	18,399
XII	8	731000	731007	111A 100 W1	30,100 gal.	Pitch	Apr. 1968	40,210	321,676
XIII	70	944700	944769	LO—Hopper	4,700 cu. ft.	Soda Ash	July 1968	12,048	843,373
XIV	10	416000	416009	111A 100 W1	16,100 gal.	Caustic Soda	July 1968	16,735	167,353
XV	6	420000	420005	111A 100 W1	20,450 gal.	Pitch	July 1968	26,723	160,339
XVI	80	417000	417024	105A 500 W	17,300 gal.	Chlorine	Aug. 1968	16,796	1,343,689
		417100	417154						
XVII	10	416010	416011	111A 100 W1	16,100 gal.	Caustic Soda	Dec. 1968	17,232	172,319
		416014							
		416016	416017						
		416019	416023						
XVIII	28	416012	416013	111A 100 W1	16,000 gal.	Caustic Soda	Dec. 1968	17,061	477,701
		416015							
		416018							
		416024	416047						
XIX	10	741600	741604	112A 340 W	41,600 gal.	Vinyl Chloride	Dec. 1968	34,423	344,232
		741606	741609						
		741612							

Category	Number of Cars	GCX Identifying Marks		Description		Type of Service	Date of Acquisition	Lessor's Cost	
		From	To	D.O.T. Spec.	Capacity			Per Car	Per Category
XX	34	741605		112A 340 W	41,600 gal.	Vinyl Chloride	Dec. 1968 Feb. 1969	\$34,328	\$1,167,163
		741613	741621						
		741622	741628		42,000 gal.				
		741630	741646						
XXI	1	741611		112A 340 W	41,600 gal.	Vinyl Chloride	Dec. 1968	34,706	34,706
XXII	64	945247	945252	LO—Hopper	5,250 cu. ft.	P.V.C. or Polyethelene	July 1969	15,825	1,012,784
		945264	945267						
		945269	945270						
		945272	945274						
		945277							
		945279							
XXIII	8	945282	945328	LO—Hopper	5,250 cu. ft.	P.V.C. or Polyethelene	Sep. 1969	15,992	127,938
		945253					July 1969		
		945268							
		945271							
		945275	945276						
		945278							
XXIV	86	945280	945281	111A 100 W1	13,500 gal.	Molten Sulphur	Oct. 1969	16,584	1,426,193
		413000	413085						
XXV	5	420006	420010	111A 100 W1	20,000 gal.	Acetone	May 1970	14,823	74,115
XXVI	47	945329	945375	LO—Hopper	5,250 cu. ft.	P.V.C. or Polyethelene	May 1970	16,887	793,689
XXVII	1	417155		111A 60A1 W2	17,300 gal.	Nitric Acid	July 1970	29,608	29,608
XXVIII	5	420011	420015	111A 100 W1	20,720 gal.	Formaldehyde	Sep. 1970	23,597	117,983
XXIX	20	426000	426019	112A 340 W	26,200 gal.	Vinyl Chloride	Jan. 1971	21,550	431,009
XXX	17	426020	426036	112A 340 W	26,200 gal.	Vinyl Chloride	Jan. 1971	21,553	366,394
XXXI	3	413086	413088	111A 100 W2	13,000 gal.	Sulphuric	Jan. 1971	16,267	48,800
XXXII	3	413089	413091	111A 100 W2	13,000 gal.	Sulphuric	Jan. 1971	16,270	48,809
XXXIII	15	945376		LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	Feb. 1971	18,434	276,505
		945378							
		945381							
		945383	945384						
		945386							
		945388							

Category	Number of Cars	GCX Identifying Marks		Description		Type of Service	Date of Acquisition	Lessor's Cost	
		From	To	D.O.T. Spec.	Capacity			Per Car	Per Category
XXXIV	15	945390							
		945394							
		945396	945401						
		945377		LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	Feb. 1971	\$18,504	\$ 277,558
		945379	945380						
		945382							
		945385							
		945387							
		945389							
		945391	945393						
XXXV	5	945395	945405						
		417156	417160	105A 500 W	17,300 gal.	Chlorine	June 1971	22,024	110,121
		417161	417175	105A 500 W	17,300 gal.	Chlorine	June 1971	21,854	327,803
XXXVI	15	417161	417175	105A 500 W	17,300 gal.	Chlorine	June 1971	21,854	327,803
XXXVII	12	417176	417178	105A 500 W	17,300 gal.	Chlorine	May 1971	21,731	260,773
		417180							
		417183	417188						
		417190							
		417195							
XXXVIII	8	417179		105A 500 W	17,300 gal.	Chlorine	May 1971	21,817	174,534
		417181	417182						
		417189							
		417191	417194						
XXXIX	9	945406	945410	LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	May 1971	19,109	171,983
		945412	945415						
XL	1	945411		LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	May 1971	18,945	18,945
XLI	9	945416	945417	LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	May 1971	18,948	170,534
		945429	495430						
		945446							
		945450							
		945463							
		945468							
		945471							

Category	Number of Cars	GCX Identifying Marks		Description		Type of Service	Date of Acquisition	Lessor's Cost	
		From	To	D.O.T. Spec.	Capacity			Per Car	Per Category
XLII	33	945418	945421	LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	May 1971	\$19,089	\$ 629,924
		945423	945428						
		945431							
		945433	945434						
		945437							
		945439							
		945441							
		945443							
		945445							
		945447	945448						
		945451	945453						
		945456							
		945465	945467						
		945469	945470						
		945472	945475						
XLIII	1	945422		LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	May 1971	19,068	19,068
XLIV	15	945432		LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	June 1971	19,101	286,518
		945435					May 1971		
		945438					June 1971		
		945440							
		945444							
		945449							
		945454	945455						
		945457	945462						
		945464							
XLV	2	945436		LO—Hopper	5,250 cu. ft.	P.V.C. or H.D.P.E.	May 1971	19,066	38,132
		946442							
XLVI	14	420016	420029	114A 400 W	20,800 gal.	Genetron	July 1971	21,316	298,427
XLVII	16	944605	944620	LO—Hopper	4,650 cu. ft.	Soda Ash	Sep. 1971	16,840	269,433
XLVIII	40	944621	944660	LO—Hopper	4,650 cu. ft.	Soda Ash	Sep. 1971	17,531	701,247
XLIX	24	944661	944684	LO—Hopper	4,650 cu. ft.	Soda Ash	Oct. 1971	16,752	402,044
L	48	954400	954447	LO—Hopper	4,475 cu. ft.	Soda Ash	Feb. 1972	21,557	1,034,732
	895						Total	\$16,324,673	

SCHEDULE B TO ASSIGNED LEASE

UNAMORTIZED COSTS OF CARS

On any Rent Payment Date during the Basic Term or any Extended Term the Unamortized Cost of any Car shall be an amount equal to the product of the percentage set forth in Column 2 below opposite such Rent Payment Date times Lessor's Cost of such Car plus the installment of Basic Rent or Extended Term Rent due with respect to such Car on such Rent Payment Date. Notwithstanding the foregoing, the Unamortized Cost of any Car on any Rent Payment Date during the Basic Term shall in no event be less than an amount sufficient to prepay a principal amount of Notes which is in the same proportion to the aggregate principal amount of Notes originally issued under the Indenture as Lessor's Cost for such Car bears to the aggregate Lessor's Cost for all Cars originally subject to this Lease, together with interest accrued on such principal amount to such date.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>
<u>Rent Payment</u>		<u>Rent Payment</u>	
<u>Date</u>		<u>Date</u>	
1 -----	99.455444%	20 -----	87.093156%
2 -----	98.901359	21 -----	86.322895
3 -----	98.337577	22 -----	85.537422
4 -----	97.763929	23 -----	84.736435
5 -----	97.180243	24 -----	83.919630
6 -----	96.586341	25 -----	83.086693
7 -----	95.982047	26 -----	82.237304
8 -----	95.367177	27 -----	81.371140
9 -----	94.741547	28 -----	80.487870
10 -----	94.104969	29 -----	79.587155
11 -----	93.457250	30 -----	78.668652
12 -----	92.798196	31 -----	77.732007
13 -----	92.127609	32 -----	76.776865
14 -----	91.445287	33 -----	75.802856
15 -----	90.751024	34 -----	74.809613
16 -----	90.044611	35 -----	73.796753
17 -----	89.325836	36 -----	72.763888
18 -----	88.594483	37 -----	71.710626
19 -----	87.850331	38 -----	70.636559

<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>
<u>Rent Payment</u>		<u>Rent Payment</u>	
<u>Date</u>		<u>Date</u>	
39 -----	69.541282%	60 -----	40.819209%
40 -----	68.424372	61 -----	39.135038
41 -----	67.285403	62 -----	37.417605
42 -----	66.123940	63 -----	35.666253
43 -----	64.939536	64 -----	33.880311
44 -----	63.731742	65 -----	32.059096
45 -----	62.500093	66 -----	30.201913
46 -----	61.244120	67 -----	28.308051
47 -----	59.963342	68 -----	26.376785
48 -----	58.657267	69 -----	24.407376
49 -----	57.325398	70 -----	22.399071
50 -----	55.967224	71 -----	20.351103
51 -----	54.582226	72 -----	18.262687
52 -----	53.169876	73 -----	16.133024
53 -----	51.729630	74 -----	13.961302
54 -----	50.260941	75 -----	11.746687
55 -----	48.763243	76 -----	9.488334
56 -----	47.235967	77 -----	7.185378
57 -----	45.678527	78 -----	4.836939
58 -----	44.090328	79 -----	2.442118
59 -----	42.470762	80 - 140 ----	0.000000

Dygle
6671-C
RECORDATION NO. _____ Filed & Recorded
JUN 27 1973 - 9 40 AM
STATE COMMERCE COMMISSION

SUPPLEMENT TO
RAILROAD EQUIPMENT LEASE AND AGREEMENT

THIS SUPPLEMENT TO LEASE AND AGREEMENT, dated as of June 15, 1973, between ALLTANK EQUIPMENT CORP., a Delaware corporation ("Lessor"), having an address in care of Hubbard, Westervelt & Mottelay, Inc., One Liberty Plaza, New York, New York 10006, and ALLIED CHEMICAL CORPORATION, a New York corporation ("Lessee"), with a principal office at Columbia Road and Park Avenue, Morris Township, New Jersey and post office address at P. O. Box 1219R, Morristown, New Jersey 07960.

WHEREAS, Lessor and Lessee have entered into a Railroad Equipment Lease and Agreement dated as of July 15, 1972 (the "Lease") whereby Lessor has leased to Lessee certain railroad cars listed and described in Exhibit A to the Lease; and

WHEREAS, on the date of the delivery hereof Lessor has sold to Lessee certain additional railroad cars which Lessee desires to lease from Lessor in substitution for certain Cars presently subject to the Lease, as provided in Section 15 of the Lease;

NOW, THEREFORE, for and in consideration of the payments stipulated in the Lease to be made by Lessee, and the covenants

and agreements therein contained to be kept and performed by Lessee, Lessor and Lessee agree as follows:

1. Lessor does by these presents lease to Lessee the railroad cars listed and described in Schedule A attached hereto and made a part hereof (the "Substituted Cars"). The Substituted Cars are hereby made subject to the Lease and shall be included in the term "Cars" as used therein.
2. The term of the Lease is hereby terminated as to the 30 railroad cars listed in Category XXIV of the Lease and described as having GCX identifying marks number 413055 through 413068 and 413070 through 413085 (the "Replaced Cars").
3. Exhibit A to the Lease is hereby amended by adding thereto the description set forth in Schedule A hereto of the Substituted Cars and by deleting therefrom the description of the Replaced Cars.
4. Lessee acknowledges delivery of the Substituted Cars to it as Lessee and its acceptance and possession hereunder. Lessee has examined and is familiar with Lessor's title to the Substituted Cars and has found the same to be satisfactory for all purposes hereunder. Lessor makes no warranty or representation whatsoever, express or implied, in respect of the Substituted Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to Lessor's

title thereto or otherwise, it being agreed that all such risks are to be borne by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf and for the account of Lessee to make and enforce, from time to time, at Lessee's sole cost and expense, whatever claim or claims Lessor may have against the seller or the manufacturer of the Substituted Cars under any warranty, express or implied, in respect thereof.

5. Except as amended hereby, the Lease is in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above set forth.

ALLTANK EQUIPMENT CORP.

Attest:

By W. W. Moore
Vice President

Q. E. Edwards
Assistant Secretary

ALLIED CHEMICAL CORPORATION

Attest:

By Samuel B. Rogers
Vice President

Robert H. Wilson
Secretary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 20th day of June, 1973, before me personally came WILLIAM W. MOORE, to me known, who being by me duly sworn, did depose and say that he resides at 119 MIDLAND AVENUE, BRONX, N.Y. that he is a Vice President of ALLTANK EQUIPMENT CORP., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the directors of said corporation; and that he signed his name thereto by like order.

Barbara Ann O'Brien
NOTARY PUBLIC
Notary Public, State of New York
No. 41-8172375
Qualified in Queens County
Cert. Filed with N.Y. Co. Clks. & Reg.
Commission Expires March 30, 1974

STATE OF NEW JERSEY)
) ss.:
COUNTY OF MORRIS)

On the 18th day of June, 1973, before me personally came DANIEL B. LOVEJOY, to me known, who being by me duly sworn, did depose and say that he resides at 29 Kings Hill Court, Summit, New Jersey; that he is a Vice President of ALLIED CHEMICAL CORPORATION, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the directors of said corporation; and that he signed his name thereto by like order.

Rich Shucke Cord
Notary Public
NOTARY PUBLIC OF NEW JERSEY

SCHEDULE A

Description of Substituted Cars

<u>Category</u>	<u>Number of Cars</u>	<u>GCX Identifying Marks</u>		<u>D.O.T. Specification</u>	<u>Capacity</u>	<u>Type of Service</u>	<u>Date of Acquisitio</u>
		<u>From</u>	<u>To</u>				
LI	22	416048	416069	111A 100 W1	16,000 gal.	Caustic Soda	February 19

SUPPLEMENT TO
RAILROAD EQUIPMENT LEASE AND AGREEMENT

THIS SUPPLEMENT TO LEASE AND AGREEMENT, dated as of February 15, 1974 between ALLTANK EQUIPMENT CORP., a Delaware corporation ("Lessor"), having an address in care of Hubbard, Westervelt & Mottelay, Inc., One Liberty Plaza, New York, New York 10006, and ALLIED CHEMICAL CORPORATION, a New York corporation ("Lessee"), with a principal office at Columbia Road and Park Avenue, Morris Township, New Jersey and post office address at P. O. Box 1219R, Morristown, New Jersey 07960.

WHEREAS, Lessor and Lessee have entered into a Railroad Equipment Lease and Agreement dated as of July 15, 1972, and supplemented by a Supplement to Railroad Equipment Lease and Agreement dated as of June 15, 1973 (the "Lease"), whereby Lessor has leased to Lessee certain railroad cars listed and described in Schedule A to the Lease; and

WHEREAS, on the date of the delivery hereof Lessee has sold to Lessor certain additional railroad cars which Lessee desires to lease from Lessor in substitution for certain Cars presently subject to the Lease, as provided in Section 15 of the Lease;

NOW, THEREFORE, for and in consideration of the payments stipulated in the Lease to be made by Lessee, and the covenants

and agreements therein contained to be kept and performed by Lessee, Lessor and Lessee agree as follows:

1. Lessor does by these presents lease to Lessee the railroad cars listed and described in Schedule A attached hereto and made a part hereof (the "Substituted Cars"). The Substituted Cars are hereby made subject to the Lease and shall be included in the term "Cars" as used therein.

2. The term of the Lease is hereby terminated as to the 56 railroad cars listed in Category XXIV of the Lease and described as having GCX identifying marks 413000 through 413054 and GCX identifying mark 413069 (the "Replaced Cars").

3. Schedule A to the Lease is hereby amended by adding thereto the description set forth in Schedule A hereto of the Substituted Cars and by deleting therefrom the description of the Replaced Cars.

4. Lessee acknowledges delivery of the Substituted Cars to it as Lessee and its acceptance and possession hereunder. Lessee has examined and is familiar with Lessor's title to the Substituted Cars and has found the same to be satisfactory for all purposes hereunder. Lessor makes no warranty or representation whatsoever, express or implied, in respect of the Substituted Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to Lessor's

title thereto or otherwise, it being agreed that all such risks are to be borne by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf and for the account of Lessee to make and enforce, from time to time, at Lessee's sole cost and expense, whatever claim or claims Lessor may have against the seller or the manufacturer of the Substituted Cars under any warranty, express or implied, in respect thereof.

5. Except as amended hereby, the Lease is in all respects ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above set forth.

ALLTANK EQUIPMENT CORP.

Attest:

By _____
Vice President

Assistant Secretary

ALLIED CHEMICAL CORPORATION

Attest:

By Samuel B. Rogers
Vice President

Secretary

MBP

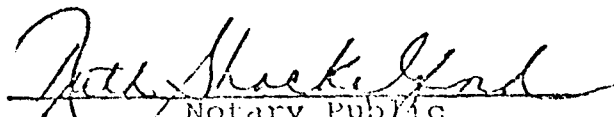
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the day of , 1974, before me personally
came , to me known, who being by me duly sworn,
did depose and say that he resides at ;
that he is a Vice President of ALLTANK EQUIPMENT CORP., the corpor-
ation described in and which executed the foregoing instrument;
that he knows the seal of said corporation; that the seal affixed
to said instrument is such corporate seal; that it was so affixed
by order of the directors of said corporation; and that he signed
his name thereto by like order.

Notary Public

STATE OF NEW JERSEY)
) ss.:
COUNTY OF MORRIS)

On the 8th day of February , 1974, before me
personally came DANIEL B. LOVEJOY, to be known, who being by me
duly sworn, did depose and say that he resides at 29 Kings Hill
Court, Summit, New Jersey; that he is a Vice President of ALLIED
CHEMICAL CORPORATION, the corporation described in and which exe-
cuted the foregoing instrument; that he knows the seal of said
corporation; that the seal affixed to said instrument is such
corporate seal; that it was so affixed by order of the directors
of said corporation; and that he signed his name thereto by like
order.



Notary Public
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires October 5, 1977

SCHEDULE A

Description of the Cars

<u>Number of Cars</u>	<u>GCX Identifying Marks</u>		<u>D.O.T. Specifications</u>	<u>Capacity</u>	<u>Type of Service</u>	<u>Date of Acquisition</u>
	<u>From</u>	<u>To</u>				
11	413093	413102	111A 100 W2	13,600 gal.	Sulfuric Acid	April, 1973
7	416070	416076	111A 100 W1	16,250 gal.	Caustic Soda	December, 1972
19	945506	945534	LO-Hopper	5,250 gal.	HDPE	September, 197

RAILROAD EQUIPMENT LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT (herein called this Lease), dated as of March 28, 1966, between FIRST UNION PROPERTIES, INC., a Delaware corporation having an address in care of THE PRENTICE-HALL CORPORATION SYSTEM, INC., 229 South State Street, Dover, Delaware 19901 (herein called Lessor), and ALLIED CHEMICAL CORPORATION, a New York corporation, with an office and post-office address at 61 Broadway, New York, New York 10006 (herein called Lessee).

Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents hereby lease to Lessee the railroad cars listed and described in Schedule A attached hereto and made a part hereof (hereinafter collectively called the Cars).

1. *Title.* Title to the Cars shall at all times remain in Lessor and at no time shall title become vested in Lessee, except as otherwise expressly provided in this Lease. This is a contract of lease only, and Lessee shall acquire no right, title or interest in or to the Cars, other than the right to use the same under the terms and conditions hereof.

2. *Delivery.* Lessee acknowledges delivery of the Cars to it as Lessee and its acceptance and possession hereunder. Lessee has examined and is familiar with Lessor's title to the Cars and has found the same to be satisfactory for all purposes hereunder. Lessor makes no warranty or representation whatsoever, express or implied, in respect of the Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to Lessor's title thereto or otherwise, it being agreed that all such risks are to be borne by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf and for the account of Lessee to make and enforce, from time to time, at Lessee's sole cost and expense, whatever claim or claims Lessor may have against the seller or the manufacturer of the Cars under any warranty, express or implied, in respect thereof.

3. *Term.* (A) *Initial and Basic Term.* Subject to the terms and provisions herein contained, this Lease shall be and remain in full force and effect for an initial term commencing on March 31, 1966, and ending at midnight on March 31, 1967 (herein called the Initial Term) and for a basic term commencing on April 1, 1967 and ending at midnight on March 31, 1987 (herein called the Basic Term).

(B) *Extension of Term.* Lessor hereby grants to Lessee the right to extend the term of this Lease beyond the Basic Term for three successive periods of five years each (any such period being herein called an Extended Term), upon all of the terms and conditions set forth in this Lease, except that during any Extended Term, the Extended Term Rent (as defined in Section 4) shall be as set forth in Section 4 and except that the number of Extended Terms permitted hereunder shall be reduced by one upon each such extension so that the entire term of this Lease as so extended shall in no event extend beyond March 31, 2002. Lessee shall exercise its right to extend the term of this Lease by delivering written notice of such extension to Lessor not less than 90 nor more than 180 days prior to the expiration of the term of this Lease then in force; provided, however, that the time for the delivery of such notice by Lessee shall be extended for 60 days unless Lessor notifies Lessee within 120 days prior to the expiration of the term of this Lease then in force of the existence of the right to extend the term hereof, as provided in this Section 3(B). Lessor reserves to itself, in addition to the other rights and remedies herein expressed or which are or may hereafter be conferred upon Lessor by law, the right to terminate this Lease and the leasehold estate hereby granted, in case of default on the part of Lessee in the performance of any of the terms, covenants, agreements and conditions which shall constitute an event of default as defined in Section 22.

4. *Rent.* (A) *Basic Rent and Extended Term Rent.* Lessee shall pay to Lessor, without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the office of Bankers Trust Company, 16 Wall Street, New York, N. Y., Attention Corporate Trust Division or at such place or to such agent as Lessor from time to time may designate, the net basic rental (herein called the Basic Rent during the Initial and Basic Term and Extended Term Rent during any Extended Term). The Basic Rent shall be in the amounts determined as provided in Schedule B and shall be payable by Lessee on the dates set forth therein (herein called the Basic Rent Payment Dates). The Extended Term Rent shall be in the amounts determined as provided in Schedule B and shall be payable by Lessee on the dates set forth therein (herein called the Extended Term Rent Payment Dates).

(B) *Additional Rent.* Lessee will also pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay, except that amounts payable as

the purchase price for any or all of the Cars pursuant to any provision of this Lease and the amounts payable as liquidated damages referred to in Section 22 hereof shall not constitute additional rent. In the event of any failure on the part of Lessee to pay any of the same, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of the Basic Rent and Extended Term Rent. Lessee will also pay Lessor, on demand, as additional rent, interest at the rate of 6% per annum on all overdue instalments of Basic Rent and Extended Term Rent from the due date thereof until payment.

(C) *No Set-Off.* Lessee shall pay Basic Rent, Extended Term Rent and additional rent without notice, demand, set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction and, except as otherwise expressly provided in this Lease, Lessee shall have no right to terminate this Lease or to be released, relieved or discharged from any obligations or liabilities hereunder for any reason whatsoever, including, without limitation: (i) any damage to, destruction, theft or loss of the Cars; (ii) any limitation, restriction, deprivation or prevention of, or any interference with, any use of the Cars; (iii) any confiscation, requisition or taking of the Cars by any governmental authority; (iv) any action, omission or breach on the part of Lessor or any Assignee, as hereinafter defined, under this Lease or under any other agreement at the time existing between Lessor and Lessee or such Assignee and Lessee; (v) the breach of any warranty of the seller or the manufacturer of the Cars; (vi) any defect in Lessor's title to the Cars; (vii) any claim as a result of any other business dealings of Lessor or Lessee; or (viii) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or similar proceeding involving or affecting Lessor or any Assignee, or any action with respect to this Lease which may be taken by any trustee or receiver of Lessor or of any Assignee or by any court in any such proceeding; and Lessee hereby covenants and agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take any action to terminate the term of this Lease (except as expressly provided herein), terminate this Lease, rescind or avoid this Lease, notwithstanding any of the foregoing. All payments by Lessee hereunder shall be final, and Lessee will not seek to recover any such payment or any part thereof for any reason whatsoever. Lessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate or surrender this Lease, or (ii) to any abatement, suspension, deferment, diminution or reduction of Basic Rent, Extended Term Rent or additional rent, on account of any such occurrence.

5. *Mileage Allowances.* Lessee shall receive, in so far as applicable law and regulations allow, all mileage allowances, rentals and/or other compensation payable by carriers by reason of the use of the Cars (hereinafter called "Mileage"), and it is understood and agreed that if for any reason Lessor receives any Mileage, then (unless an event of default specified in Section 22 shall have occurred and be continuing) Lessor shall remit such Mileage to Lessee promptly after Lessee shall have furnished or caused to be furnished to Lessor an opinion, ruling or other evidence, satisfactory to Lessor, that the remittance thereof to Lessee will not violate any applicable law or regulation.

6. *Identifying Legend.* Lessee shall cause to be plainly, distinctly, permanently and conspicuously stencilled upon each side of each Car the following words in letters not less than one inch in height:

"FIRST UNION PROPERTIES, INC., AS OWNER, LESSOR

BANKERS TRUST COMPANY, AS TRUSTEE, MORTGAGEE AND ASSIGNEE".

If during the continuance of this Lease any of such words shall at any time be defaced or destroyed on any Car, Lessee shall immediately cause such defaced or destroyed words to be restored or replaced. Lessee shall not allow the name of any person, firm, corporation or entity to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, firm, corporation or entity other than Lessor; but Lessee may letter the Cars with the names or initials or other insignia now or hereafter customarily used by Lessee on its railroad cars of the same or a similar type.

7. *Numbering.* Lessee will (unless the same shall have been done prior to the date of commencement of this Lease) cause the identifying symbol ACSX to be placed on, and will cause one of Lessee's car numbers to be assigned to and placed on, each side of each such Car, such car numbers to be as set forth in Schedule A hereof, and at all times thereafter Lessee will cause each Car subject to this Lease to bear on each side thereof such identifying symbol and the car number so assigned to it.

Lessee shall, not later than April 15, 1967, cause the identifying symbol and car number required by this Section 7 and the identifying legend required by Section 6 to be placed upon

at least 60% in number of the Cars and will cause all Cars to be so identified not later than October 15, 1967. Lessee will furnish to Lessor (i) not later than April 15, 1967 a certificate to the effect that it has complied with the provisions of the preceding sentence required to be done prior to such time and (ii) not later than October 15, 1967 a certificate to the effect that it has completed the placing upon all Cars of all legends, symbols and numbers required by Section 6 and this Section 7.

8. *Taxes and Other Charges.* (A) Lessee shall duly pay to the governmental or other authority assessing, levying or imposing the same, as additional rent, before they become delinquent, all taxes, assessments and other governmental charges levied or assessed upon the Cars or the interest of Lessee thereunder or in respect thereof, the use or operation thereof or the earnings arising from the use or operation thereof, and all sales and use taxes which may be levied or assessed against Lessor or Lessee on account of the acquisition or leasing of the Cars, and shall promptly pay or reimburse Lessor for all taxes, assessments and other governmental charges levied or assessed against Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof or the earnings arising therefrom, including any taxes on the Basic Rent or additional rent, exclusive, however, of taxes on Lessor's income or on Mileage retained by Lessor (except any such tax on Lessor's income which is in substitution for, or relieves Lessee from the payment of, taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided, and except as otherwise provided in Section 12). In the event any tax reports are required to be made on the basis of individual Cars, Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

(B) Lessee covenants to furnish to Lessor, within 60 days after demand by Lessor, proof of the payment of any tax, assessment, or other governmental or similar charge in respect of the Cars which is payable by Lessee as in this Section provided.

9. *Reports and Inspection.* Lessee will furnish to Lessor on or before the 15th day of April, 1967, and annually thereafter, and at such other times as Lessor shall reasonably request, during the continuance of this Lease, a certificate signed by the President or any Vice President of Lessee, stating

(i) as of the preceding 31st day of December, (a) the car numbers of all Cars then subject to this Lease, (b) the car numbers of all Cars that have become lost, destroyed or damaged beyond repair or the title or use of which has been confiscated, requisitioned or taken during the period elapsed since the end of the period covered by the last previous such certificate (or since the date of delivery hereof in the case of the first such report), (c) the car numbers of all serviceable Cars, (d) the car numbers of all Cars awaiting repairs and (e) the car numbers of all Cars in the shops for repairs, and

(ii) that, in the case of all Cars repainted or repaired during such period, the stencilled identification legends required to be placed thereon by Section 6 have been replaced or preserved on such Cars or that such Cars have been again stencilled as required by Section 6 and that the identifying symbol and the appropriate car number have been replaced or preserved on each side of each such Car in accordance with Section 7.

Lessor shall have the right, by its authorized representatives, to inspect the Cars, at the sole but reasonable cost and expense of Lessee, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of this Lease.

10. *Recording.* Lessee will promptly cause this Lease and each supplement hereto to be filed with the Interstate Commerce Commission and to be filed, registered or recorded wherever else required (and thereafter will cause it to be filed, registered or recorded and refiled, reregistered or rerecorded whenever and wherever required) in each place in the United States of America or elsewhere for the proper protection, to the satisfaction of Lessor, of Lessor's title to the Cars; and Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) any and all further instruments, required by law or reasonably requested by Lessor, for the purpose of such protection of its title, or for the purpose of carrying out the intention of this Lease. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) all other instruments (including but not limited to manufacturer's certificates of

construction and interchange agreements) in such manner and in such places as shall be required by any present or future law, rule or regulation. Lessor hereby appoints Lessee its agent and attorney-in-fact for and in its name and behalf to execute, acknowledge, deliver, file, register and record (and refile, reregister and rerecord) any and all instruments that Lessor may be required by law to file, register and record and Lessee agrees so to do. Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of this Lease and incident to the preparation, execution, filing, refiling, registering, reregistering, recording and rerecording of any such further instrument and incident to the taking of any such other action.

11. *Indemnification.* Lessee agrees to pay, and to protect, indemnify and save harmless Lessor from and against: (i) any and all liabilities, damages, expenses (including, without limitation, attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever arising from injury to persons or property growing out of or connected with the ownership or use of the Cars or resulting from the condition thereof, and (ii) any liability for violation of any agreement or condition of this Lease to be performed by Lessee or of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Cars or the ownership or use thereof.

12. *Liens, Encumbrances and Charges; Certain Rights Upon Discharge.* (A) Subject to Sections 20 and 21(B) Lessee will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance and charge upon the Cars or any thereof or upon Lessee's leasehold interest therein, and Lessee agrees to protect and defend the title of Lessor to the Cars from any such liens, encumbrances and charges; provided that Lessee will not be required to discharge any lien, encumbrance or charge created by Lessor or resulting from actions of Lessor, unless it is necessary for Lessee to discharge such lien, encumbrance or charge in order to comply with paragraph (B) of this Section.

(B) Any other provision of this Lease notwithstanding, if for any reason whatsoever, (i) the Basic Rent or any additional rent, including without limitation any sums payable under this Section 12(B) (all such rents and sums being hereinafter in this Section 12(B) collectively called the rentals), payable during the term of this Lease shall be diminished or subject to any diminution through attachment, claim, demand, charge, lien, levy, order, process, encumbrance or for any other reason, similar or dissimilar to the foregoing, or shall be subject to withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, foreseen or unforeseen, incurred by or against any person, firm, corporation or entity whomsoever, or by reason of any claims, demands, charges or liens of any nature, foreseen or unforeseen, incurred by any person or against the rentals, so that the rentals would thereby be rendered inadequate or would be unavailable to meet the periodic instalments of principal of and interest on any obligations or indebtedness secured by any assignment of this Lease, or (ii) the payment in full of the rentals when the same are due and payable under this Lease shall be delayed, hindered or prevented, or in any way adversely affected, or (iii) the use or application of the rentals by any Assignee thereof for its own purposes shall be hindered, delayed or prevented or the right of such Assignee so to use or apply the same shall in any way be adversely affected, or (iv) such Assignee refuses so to apply the rentals because of a threatened or pending suit in any court as a result of which such Assignee in good faith considers it may have personal liability if it does so apply them, or (v) the holders of any obligations or indebtedness secured by any assignment of this Lease shall be subject to any liability or obligation to refund or pay over the rentals, then, in any such event, Lessee will promptly pay as additional rent, and take any action and incur any additional expense that may be necessary to the proper application of, sums of money sufficient to (i) pay fully and discharge such taxes, assessments, expenses, indebtedness, obligations and liabilities and to eliminate or nullify the cause of such attachment, withholding, diminution, claim, demand, charge, lien, levy, order, process and encumbrance, (ii) eliminate or prevent any delay, hindrance or obstacle in the payment in full of the rentals when the same are due and payable under this Lease and in the use or application thereof by such Assignee for its purposes, and (iii) protect fully the right of such Assignee to use or apply the rentals for its purposes, and will indemnify such Assignee against any personal liability which may arise from applying the rentals and the holders of any obligations or indebtedness secured by any assignment of this Lease against any liability or obligation to repay, or any loss in repaying, any moneys received from such Assignee. It is the intention of the parties hereto that the Basic Rent shall be received and enjoyed by Lessor or such Assignee thereof as an absolutely net sum, and that Lessee shall pay all charges which diminish said sum or render the same inadequate as aforesaid, so that the Basic Rent shall be available for application to the payment of any obligations or indebtedness secured by an assignment of this Lease, without diminution for any reason.

(C) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have a claim against Lessor to be reimbursed for such sum with interest thereon at 6% per annum from the date of such payment, provided that such claim shall not be enforceable under any circumstances during the Initial Term or the Basic Term of this Lease, or if any notes secured by any assignment of this Lease shall not have been paid in full, but shall be enforceable, provided, that Lessee shall not be in default under this Lease, during any Extended Term of this Lease and may be set off against, but only against, either (i) any Extended Term Rent payable by Lessee under this Lease during any Extended Term hereof or (ii) the purchase price payable by Lessee under this Lease upon any purchase of the Cars or any of them pursuant to an offer which shall be made or an option which shall be exercised during any Extended Term of this Lease.

(D) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee may notify Lessor of Lessee's intention to terminate this Lease on any business day specified in such notice which occurs not less than 60 nor more than 180 days after the making of such payment, provided that as part of such notice of termination Lessee shall give its irrevocable undertaking to purchase the Cars on such date of termination at a price determined in accordance with Schedule C hereof as of such date of termination. Such price shall be payable as an absolutely net sum, without diminution for any reason, it being the intention of the parties hereto that such price shall be adequate to discharge in full any notes secured by any assignment of this Lease at the unamortized cost of the Cars (such unamortized cost of the Cars to be determined as provided in Schedule C) on such date of termination, and if such purchase price should be diminished or subject to diminution in any way for any reason, the provisions of Section 12(B) shall be applicable and Lessee shall pay any additional sum required to effectuate such intention. Lessee shall deliver such notice and undertaking to Lessor at least 30 days prior to the proposed date of termination. On such date of termination, Lessor shall transfer and convey the Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18, and Lessee shall pay to Lessor in cash the purchase price therefor.

(E) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have an option, as hereinafter provided, to purchase from the owners thereof, on any date occurring during the Basic Term of this Lease and within 180 days after the making of such payment, any notes secured by any assignment of this Lease at the unamortized cost of the Cars (such unamortized cost of the Cars determined as provided in Schedule C) on the date of purchase of such notes at a price equal to the then unpaid principal balance of such notes and interest accrued and unpaid thereon. Lessor agrees that any mortgage pursuant to which such notes are issued shall contain a provision giving Lessee such option to purchase notes upon at least 30 days prior written notice to Lessor and in such form as shall be satisfactory to Lessee. In the event that Lessee shall have so purchased such notes, Lessee shall then and thereafter, so long as this Lease shall remain in effect, have an option to purchase the Cars for one dollar. Lessor shall have no obligation to cause the owners of such notes to sell the same to Lessee except to cause such provision to be included in such mortgage.

13. *Maintenance; Compliance with Laws and Rules.* Lessee agrees to maintain and keep the Cars in good mechanical condition, repair and order, ordinary wear and tear excepted, at its own cost and expense. Lessor shall not be required to make any repairs or replacements of any nature or description with respect to the Cars or to make any expenditure whatsoever in connection with this Lease or to maintain the Cars.

Lessee agrees to comply with all governmental laws, regulations and requirements, and with the Rules of Interchange of the Association of American Railroads (or of any successor thereto), with respect to the use, maintenance and operation of each Car; in case any equipment or appliance on any Car shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on any Car in order to comply with such laws, regulations, requirements and Rules, Lessee agrees to make such changes, additions and replacements; and Lessee agrees to maintain each Car in full compliance with such laws, regulations, requirements and Rules so long as it is subject to this Lease.

Any parts installed or replacements made upon the Cars by Lessee shall be considered accessions to the Cars and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor.

14. *Payment for Lost, Destroyed or Damaged Cars and for Cars Confiscated, Requisitioned or Taken.* (A) If any Car shall become lost, destroyed or damaged beyond repair or if any

governmental authority shall confiscate, requisition or take the title to any Car, then, on the Basic Rent Payment Date or Extended Term Rent Payment Date next succeeding the day on which such loss, destruction, damage, confiscation, requisition or taking shall occur, Lessee shall pay to the Lessor, as damages in lieu of any further claim of Lessor to or on account of such Car, an amount in cash equal to the unamortized cost of such Car as determined in accordance with Schedule C.

(B) Whenever any such cash payment is made to Lessor under this Section with respect to any Car, (i) the Basic Rent or Extended Term Rent payable with respect to such Car on each Basic Rent Payment Date or Extended Term Rent Payment Date occurring after the Basic Rent Payment Date or Extended Term Rent Payment Date on which such payment of damages by Lessee shall occur shall be abated with respect to such Car, (ii) such Car shall thereafter no longer be deemed to be one of the Cars subject to this Lease, (iii) if such payment of damages shall be made by reason of loss, damage or destruction, Lessee shall be entitled to the proceeds of any settlement made by any insurance company, railroad company or other person, firm, corporation or entity in connection with such loss, destruction or damage beyond repair, whether such settlement is made with Lessor or Lessee, except that if Lessor shall take out and pay for any policy of insurance on such Car, then Lessor shall be entitled to the entire proceeds of any settlement made under such policy in connection with such loss, destruction or damage beyond repair, and (iv) if such payment of damages shall be made by reason of any confiscation, requisition or taking, Lessee shall be entitled to any award or compensation allowed or paid. Lessor hereby irrevocably authorizes and empowers Lessee, in the name of Lessor or otherwise, to negotiate, accept, reject, file and prosecute any claim, including what would otherwise be Lessor's claim, for any award or compensation on account of any confiscation, requisition or taking referred to in this Section and to collect and receipt for the same. Lessee shall bear the risk of and, except as hereinabove in this Section provided, shall not be released from its obligations hereunder in the event of, any loss, destruction, damage, confiscation, requisition or taking of any of the Cars for any cause whatsoever after the acceptance of delivery thereof hereunder by the Lessee. Lessee shall bear all costs and expenses incurred in connection with the obtaining of any settlement or the obtaining of any award.

(C) Lessee shall notify Lessor of the loss, destruction, irreparable damage, confiscation, requisition or taking of any Car promptly after the same shall occur.

15. *Substitution of Cars.* Provided that Lessee shall not be in default under this Lease, and subject to any applicable provisions of the Indenture of Mortgage and Deed of Trust dated as of March 8, 1966 from Lessor to Bankers Trust Company, Lessee at any time and from time to time upon 30 days' prior notice to Lessor may substitute for any five or more Cars (in this Section termed Replaced Cars) other railroad cars manufactured within 9 months of the date of any such substitution (in this Section termed Substituted Cars), provided that upon each substitution of cars,

(i) each Substituted Car shall have an estimated remaining useful life not less than the greatest estimated remaining useful life of any Replaced Car, as evidenced by a certificate of a principal executive or financial officer of Lessee, dated not earlier than 10 days prior to the date of such substitution,

(ii) the aggregate fair market value of the Substituted Cars, as certified by such officer, shall be not less than the greater of (a) the aggregate fair market value of the Replaced Cars, certified in like manner, which certificate shall state the fair market value of each Substituted Car or (b) the aggregate of the purchase prices payable by the Lessee for the Replaced Cars in the event of its purchase of such Replaced Cars pursuant to Section 16(A),

(iii) Neither the aggregate of the Basic Rent payable hereunder by Lessee nor the aggregate of the purchase prices payable by Lessee upon its purchase of any Car pursuant to any provision of this Lease shall be changed by reason of any substitution of Cars, and the amounts of Basic Rent and unamortized cost (as determined in accordance with Schedule C hereof) attributable to the Replaced Cars shall be allocated to the Substituted Cars in the same proportion as the fair market value of each Substituted Car, as certified as aforesaid, shall bear to the fair market value of all Substituted Cars,

(iv) Lessee shall deliver to Lessor a bill of sale for the Substituted Cars warranting that Lessee has title thereto free and clear of all liens and encumbrances,

(v) Lessee shall deliver to Lessor an opinion of Lessee's General Counsel or the Director of its Legal Department to the effect that Lessee lawfully owns the Substituted Cars and has good and valid title thereto, free of all liens and encumbrances and as to the matters specified in Section 19,

(vi) Lessee shall deliver to Lessor a certificate, dated not earlier than 10 days prior to the date of such substitution and signed by a principal executive or financial officer of Lessee, setting forth the date of manufacture of each Substituted Car, the original cost thereof, the unamortized cost of each Replaced Car as determined as provided in Schedule C and stating that the Lessee intends to use the Substituted Cars in its business, and that the appropriate identifying legend, symbol and number have been placed on each Substituted Car as provided in Section 6 and Section 7,

(vii) Lessee shall deliver to Lessor on the date of substitution a certificate, dated such date, and signed by a principal executive or financial officer of Lessee, to the effect that (a) the substitution has been duly authorized by Lessee, (b) Lessor has no unsatisfied obligations to Lessee, that no offset exists with respect to the Basic Rent (or Extended Term Rent if an Extended Term then be in effect) or other sums payable by Lessee hereunder and no default on the part of Lessee exists hereunder and (c) the Substituted Cars comply with all applicable laws, ordinances, rules and regulations and may be used for the purposes contemplated by the Lessee,

(viii) the Lessee shall pay all taxes, including all sales and use taxes (except taxes measured by income) and expenses incurred by Lessor and Lessee upon or in connection with each such substitution of cars, and

(ix) there shall be executed and delivered a supplement to this Lease in form and substance satisfactory to the Lessor and counsel for the Lessor

(a) conveying and transferring the Substituted Cars and confirming that they are subject to this Lease,

(b) amending Schedule A so as to make the Substituted Cars subject hereto,

(c) making such other changes in this Lease as may be necessary by reason thereof,

(d) ratifying and confirming this Lease in all other respects.

16. *Purchase Options.* (A) Provided that Lessee shall not be in default under this Lease, if in the judgment of Lessee the continued use of any of the Cars shall be uneconomic in the conduct of Lessee's business, then Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to such Cars on the next succeeding Basic Rent Payment Date, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars on such Basic Rent Payment Date at a price determined in accordance with Schedule C hereof as of such Basic Rent Payment Date. Such notice and undertaking shall be accompanied by a certificate, signed by one of its principal executive officers or by any Vice President of Lessee, to the effect that Lessee has determined that the further use of such Cars is uneconomic in the conduct of Lessee's business. Lessee shall deliver such notice, undertaking and certificate to Lessor at least 45 days prior to the proposed date of termination. On such date of termination, Lessor shall sell all such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

(B) Provided that Lessee shall not be in default under this Lease, Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to any of the Cars on March 31, 1982, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars on such date at a price determined in accordance with Schedule C hereof as of such date. Lessee shall deliver such notice and undertaking to Lessor at least 45 days prior to the proposed date of termination. On such date of termination, Lessor shall sell such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

17. *Purchase Offer.* Provided that Lessee shall not be in default under this Lease, Lessee shall have the right not less than 75 nor more than 100 days prior to any Basic Rent Payment Date occurring during the Basic Term of this Lease after April 1, 1982 to make an offer to Lessor to purchase all (but not less than all) of the Cars on the next succeeding Basic Rent Payment Date, at a price determined in accordance with Schedule C hereof as of such date. No such offer shall be made more than once in any calendar year. In the case of each such offer Lessor shall accept or reject such offer by notice to Lessee within 45 days after Lessor receives such offer; if Lessor fails to deliver an acceptance or rejection to Lessee within such period, Lessor shall be deemed to have accepted such offer. If Lessor rejects Lessee's offer to purchase the Cars, Lessee shall have the right to terminate this Lease on the Basic Rent Payment Date next succeeding the date of making of such offer by sending to Lessor notice of termination within 15 days after Lessee receives Lessor's rejection of Lessee's offer. If Lessee shall terminate this Lease pursuant

and subject to the immediately preceding sentence, Lessee shall have no further obligations or liabilities under this Lease, except such obligations or liabilities, actual or contingent, under this Lease as shall have arisen on or prior to said date of termination. Any sale of the Cars under this Section shall be made upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

18. *Payment and Title Upon Purchase.* In the event of any purchase of any one or more or all of the Cars by Lessee pursuant to any provision of this Lease, Lessor shall not be obligated to give any better title than existed at the time of Lessor's acquisition of title, and Lessee shall accept such title subject, however, to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by Lessor and (ii) any laws, regulations and ordinances.

Lessee shall tender to Lessor or any Assignee, as hereinafter defined, the consideration for the purchase, and Lessor shall deliver a bill of sale or other instrument conveying title to the Cars to be purchased to Lessee pursuant to this Section 18. Lessee shall pay all charges incident to any sale or transfer, including applicable federal, state or local taxes and the like. Title to such Cars shall be delivered to Lessee at such place and time as Lessor and Lessee shall agree.

This Lease shall not terminate on the date on which Lessee shall be obligated to purchase the Cars to be purchased, nor shall Lessee's obligations hereunder cease until Lessee shall have paid the purchase price then payable for the Cars to be purchased (without regard to whether or not any delay in such purchase shall be due to the fault of Lessor), without set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or deduction by reason of any taxes, expenses, indebtedness, obligations, claims, demands, charges and liens of any character incurred by any person or for any other reason, and until Lessee shall have discharged, or made provisions satisfactory to Lessor for the discharge of, all other obligations and liabilities, actual or contingent, of Lessee under this Lease, which obligations and liabilities shall have arisen on or before the date for the purchase of the Cars to be purchased.

19. *Opinion of Counsel.* Concurrently with the execution and delivery of this Lease and of any supplement hereto, Lessee will deliver to Lessor the written opinion of Lessee's General Counsel or the Director of its Legal Department, in form and substance satisfactory to Lessor and its counsel, to the effect that

(i) Lessee is a corporation duly organized and validly existing and in good standing under the laws of the State of New York, with all requisite power and authority to enter into and perform this Lease, including any supplement hereto and to lease and operate the Cars;

(ii) this Lease, including any supplement hereto, has been duly executed and delivered, pursuant to due authorization, by Lessee and constitutes a valid and binding agreement legally enforceable against Lessee in accordance with its terms and has been recorded or filed in all offices in which recording or filing is necessary to give notice or to protect the validity thereof;

(iii) no authorization, order, license, permit, franchise, or consent of, or registration, declaration or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Lease and any supplement hereto or if any such approval, authorization, order, license, permit, franchise, consent, registration, declaration or filing is required, specifying the same and stating that the same has been obtained or made and is in full force and effect;

(iv) neither the execution or delivery of this Lease and any supplement hereto, nor performance hereof, nor the consummation of the transactions herein contemplated will conflict with or result in a breach of any of the terms, provisions or conditions of the certificate of incorporation or by-laws of Lessee, or of any present statute or administrative regulation, or of any order, writ, injunction, judgment or decree of any court or governmental authority, or of any agreement or instrument to which Lessee is a party or by which it is bound, or constitute a default thereunder, or result in the creation of any lien, charge or encumbrance upon the Lessee's leasehold interest under this Lease, including any supplement hereto, in the Cars pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it may be bound; and

(v) as to such other matters incident to the transactions contemplated as Lessor may reasonably require.

20. *Assignment and Subletting.* With the prior written consent of Lessor, Lessee may sublet the Cars and may assign or otherwise transfer all of its rights and interests hereunder and may renew, amend, release or cancel any sublease, assignment or transfer entered into pursuant to this Section; provided that any assignee or transferee (other than a sublessee) shall execute and deliver to Lessor an instrument, satisfactory in substance and form to Lessor, assuming all

the obligations hereunder of the assigning or transferring lessee; and provided, further, that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessee hereunder, but this Lease shall continue in full force and effect and all obligations of Lessee hereunder shall continue in full force and effect as the obligations of a principal and not as the obligations of a guarantor or surety. Neither this Lease nor the term hereby demised and let shall be mortgaged by Lessee nor shall Lessee mortgage or pledge the interest of Lessee in and to any sublease or the rentals payable thereunder. Any such mortgage and any such assignment, transfer, sublease or pledge made by Lessee in violation of this Section 20 shall be void.

21. *Default; Permitted Contests.* (A) If Lessee at any time shall fail to make any payment or perform any act on its part to be made or performed under this Lease, then Lessor may (but shall not be obligated to), without notice to or demand upon Lessee and without waiving or releasing Lessee from any obligations or default of Lessee hereunder, make any such payment or perform any such act for the account and at the expense of Lessee. All sums so paid by Lessor and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Lessor, together with interest at the rate of 6% per annum from the date of the making of such payment or the incurring of such costs and expenses by Lessor, shall be deemed additional rent hereunder and shall be payable by Lessee to Lessor, on demand, and Lessee covenants to pay any such sum or sums with interest, as aforesaid.

(B) Lessee shall not be required by any provision of this Lease to pay, discharge or remove any tax, lien, assessment, or encumbrance, or any other imposition or charge on or against the Cars or any thereof, so long as Lessee shall (after prior written notice to Lessor) in good faith contest at its expense the same or the validity or amount thereof by appropriate legal proceedings which shall operate to prevent the collection or satisfaction of the tax, lien, assessment, encumbrance, imposition or charge so contested and the sale of the Cars or any thereof to satisfy the same, and pending any such proceedings Lessor shall not have the right to pay, remove, or cause to be discharged the tax, lien, assessment, encumbrance, imposition or charge thereby being contested, provided that Lessee shall, prior to the date that any such item is claimed to be due and payable, have given such security as may be required in the proceedings and such reasonable security as may be demanded by Lessor to insure such payment and prevent any sale or forfeiture of the Cars or any thereof by reason of such nonpayment, and provided further that Lessor would not be in any substantial danger of civil or any danger of criminal liability by reason of such nonpayment.

22. *Events of Default.* If any one or more of the following events (herein sometimes called events of default) shall happen (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Lessee from complying with the terms of this Lease):

(i) default shall be made in the payment when due of Basic Rent or Extended Term Rent; or

(ii) default shall be made in the observance of any other of the covenants, conditions and agreements on the part of Lessee contained herein and such default shall continue for 30 days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied; or

(iii) the estate or interest of Lessee in any of the Cars shall be levied upon or attached in any proceeding and such process is not vacated or discharged within 60 days after such levy or attachment; or

(iv) a decree or order by a court having jurisdiction shall have been entered in a proceeding brought against Lessee

(a) adjudging Lessee a bankrupt or insolvent, or

(b) approving as properly filed a petition seeking reorganization of Lessee under the Bankruptcy Act or any other state or federal law relating to bankruptcy or insolvency, or

(c) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of Lessee or of its property or any substantial portion of its property, or

(d) for the winding up or liquidation of the affairs of Lessee,

and such decree or order shall have remained in force undischarged and unstayed for 30 days (except that no period of time shall be necessary in the case of clause (a) above); or

(v) Lessee shall

- (a) institute proceedings to be adjudged a voluntary bankrupt, or
- (b) consent to the filing of a bankruptcy proceeding against it, or
- (c) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or
- (d) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or
- (e) make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or
- (f) take any corporate action in furtherance of any of the aforesaid purposes;

then, in any such case, Lessor, at its option may

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice to Lessee terminate the term of this Lease, whereupon all right of Lessee to the use of the Cars shall forthwith terminate as though this Lease had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon and take possession of all or any of the Cars and thenceforth hold, possess and enjoy the same free from any rights of Lessee, or its successors or assigns, to use the same for any purposes whatever (including the right to sell the Cars or any thereof upon any terms deemed satisfactory to Lessor); but Lessor shall, nevertheless, have the right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid, including the Basic Rent or Extended Term Rent becoming due after the date of default until the date of termination of the term of this Lease as provided in this subdivision (2), for the use of the Cars and also to recover forthwith from Lessee (i) if the term of this Lease has not expired, as damages for loss of the bargain and not as a penalty, a sum equal to the total of the semi-annual instalments of the Basic Rent or the Extended Term Rent determined as provided in Schedule B hereof discounted in each case from the date on which the same is payable to the date of such termination on the basis of a 4% per annum discount, compounded annually, and (ii) any damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of Basic Rent or Extended Term Rent. Lessee hereby waives, to the full extent permitted by law, any right it may have to require the sale, in mitigation of damages, of the Cars.

Anything to the contrary hereinabove contained notwithstanding, any nonpayment of Basic Rent, Extended Term Rent or additional rent due hereunder, whether during the applicable period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of Lessee to pay also an amount equal to 6% per annum of the overdue Basic Rent, Extended Term Rent or additional rent, as the case may be, for the period of time during which such Basic Rent, Extended Term Rent or additional rent shall be overdue.

The remedies in this Section 22 provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing under this Lease, at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies in this Section 22 provided, to the extent that such waiver is permitted by law. Extension of time for any payment of Basic Rent, Extended Term or additional rent, acceptance of a part thereof or failure of Lessor to enforce promptly any breach of this Lease by Lessee shall not constitute a waiver of any of Lessor's rights under this Section.

23. *Acceptance of Surrender; Redelivery.* No surrender to Lessor of this Lease or of the Cars or any thereof or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by a representative or agent of Lessor, and no act by Lessor, other than such a written agreement and acceptance by Lessor, shall constitute an

acceptance of any such surrender. Upon the termination of the term of this Lease with respect to all the Cars by reason of expiration of the stated term hereof, such Cars shall be delivered to Lessor at such place and time as Lessor and Lessee shall agree.

24. *Certain Certificates.* Lessee shall deliver to Lessor on the 1st day of April in each of the years 1969, 1972, 1975, 1978, 1981 and 1984 and at such other times not more often than once in any year as Lessor shall request a certificate of a principal executive or financial officer of Lessee setting forth the fair market value of the Cars as at the preceding 31st day of December. If the fair market value of the Cars as at the date of such certificate, as set forth in any such certificate, shall be less than the unamortized cost of the Cars (as determined in accordance with Schedule C) as at such date, then if Lessor shall request, Lessee shall not less than 20 nor more than 40 days after such request either (i) effect a substitution of Cars pursuant to Section 15 or (ii) purchase one or more Cars pursuant to Section 16(A) or (iii) substitute one or more Cars and purchase one or more Cars, so that immediately upon such substitution or such purchase or such substitution and purchase the fair market value of the Cars will equal or exceed the unamortized cost of the Cars (determined as aforesaid) as at the preceding 31st day of December; provided, that if Lessee shall elect to effect a substitution of Cars pursuant to Section 15, the requirements in such Section that a notice be given to Lessor and that a substitution may be effected only with respect to five or more Cars shall not be applicable and provided, further, that if Lessee shall elect to purchase one or more Cars pursuant to Section 16(A), the requirements in such Section that Lessee deliver a certificate to the effect that further use of such Car or Cars is uneconomic and that such purchase shall occur on the next succeeding Basic Rent Payment Date shall not be applicable.

25. *Supplements.* Lessor and Lessee will execute and deliver on or prior to any date on which additional Cars shall be made subject to this Lease a supplement to this Lease, substantially in the form of Schedule D, appropriately amending this Lease as provided in Article II of the above-mentioned Indenture and ratifying and confirming this Lease.

26. *No Claims Against Lessor.* Nothing contained in this Lease shall constitute any consent or request by Lessor, express or implied, for the performance of any labor or services in respect of the Cars or any thereof, nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services as would permit the making of any claim against Lessor.

27. *Notices, etc.* During the term of this Lease, all notices, demands, requests, approvals, consents, and other similar instruments of whatsoever kind or character to which Lessor may be entitled or which may be required pursuant to this Lease to be given to Lessor shall be made and delivered to Lessor at its address set forth above or at such other address as Lessor shall notify Lessee in writing, and, at the request of Lessor, to any Assignee, as hereinafter defined, at the address set forth in such request. All such notices, demands, requests, approvals and other similar instruments under this Lease shall be in writing, and shall be deemed to have been properly given if sent by United States certified or registered mail, postage prepaid, (i) if to Lessee, addressed to Lessee at its address set forth above, or at such other address as Lessee from time to time may have designated by notice to Lessor, and (ii) if to Lessor, addressed to Lessor at its address set forth above, or at such other address as Lessor may have designated, from time to time, by notice to Lessee.

28. *Waiver, Discharge.* If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

29. *Assignment of Lessor's Interest.* Lessor may, at any time and from time to time, assign to any person, firm, corporation or entity (herein called an Assignee), by way of pledge, or as security for any indebtedness of Lessor or otherwise, any or all of the rights and interests in whole or in part of Lessor under this Lease, including the right to receive any rental payable hereunder. From and after any such assignment to any Assignee by way of pledge or as security for any indebtedness of Lessor, (i) such Assignee may enforce any and all of the terms of this Lease, to the extent so assigned, as though such Assignee had been a party hereto, (ii) no action or

failure to act on the part of Lessor shall adversely affect or limit any rights of such Assignee, (iii) no such assignment shall release Lessor from any of its obligations under this Lease nor constitute an assumption of any such obligations on the part of such Assignee, (iv) no Basic Rent may be prepaid prior to the due date thereof without the prior written consent of such Assignee, (v) no termination, amendment or modification of this Lease and no waiver of any of the terms and provisions hereof shall be valid unless consented to in writing by such Assignee, (vi) all notices, demands, consents, requests, approvals or other instruments given by Lessee hereunder shall also be delivered to such Assignee, and (vii) whenever the term Lessor is used herein, it shall, when appropriate, include such Assignee. Any Assignee may assign his or its rights and interest in this Lease to another assignee, and on and after the date of such assignment the term "Assignee" shall include such assignee.

30. *New York Law.* This Lease shall be governed by and construed in accordance with the law of the State of New York.

31. *Incorporated Schedules.* The following are Schedules A, B, C and D referred to in this Lease:

SCHEDULE A TO LEASE

DESCRIPTION OF THE EQUIPMENT

<u>Number of Cars</u>	<u>Interstate Commerce Commission Specification Number</u>	<u>Old Identifying Symbol and Number</u>	<u>New Identifying Symbol and Number</u>	<u>Category for Purposes of Schedule B</u>
200	111-A-60-ALW	ACSX49800-49999	ACSX49800-49999	I
1	111-A-100-W-1	ACSX820002	ACSX820002	II
12	LO*	ACSX853100- 853111	ACSX853100- 853111	III
5	111-A-100-W-1	ACSX820003- 820007	ACSX820003- 820007	IV
2	107-A-2400	ACSX21601, 21602	ACSX21601, 21602	V
3	103-A-W	ACDX27928, 27929, 27982	ACSX27928, 27929, 27982	VI
8	103-W	ACSX610230- 610237	ACSX610230- 610237	VII
2	103-W	ACSX67040, 67041	ACSX67040, 67041	VIII
25	105-A-500-W	ACSX65500-65524	ACSX65500-65524	IX
<u>258</u>				

* Association of American Railroads classification, no ICC classification for Hopper Cars.

SCHEDULE B TO LEASE

BASIC RENT AND EXTENDED TERM RENT PAYMENTS AND LESSOR'S CAPITALIZED COSTS

<u>Column 1</u>	<u>Column 2</u>	<u>Column 1</u>	<u>Column 2</u>
<u>Category and Number of Cars</u>	<u>Lessor's Capitalized Cost for each Car in such Category</u>	<u>Category and Number of Cars</u>	<u>Lessor's Capitalized Cost for each Car in such Category</u>
I-200	\$16,815	VII-8	\$16,100
II-1	17,585	VIII-2	15,700
III-12	28,622		
IV-5	16,365	IX-25	16,175
V-2	1 @ 22,245 1 @ 22,246		
VI-3	2 @ 10,009 1 @ 5,512		

1. The Basic Rent during the Initial Term of this Lease will be payable at the rate of $5\frac{1}{4}\%$ per annum of Lessor's Capitalized Cost for the Cars, computed as to each Car from the date such Car became subject to this Lease to and including March 31, 1967 and shall be payable to the extent accrued on September 30, 1966 and March 31, 1967.

2. On September 30, 1967 and on each March 31 and September 30 thereafter occurring during the Basic Term of this Lease, the Basic Rent payable shall be an amount equal to 4.068% of Lessor's Capitalized Cost for the Cars.

3. On each September 30 and March 31 occurring during any Extended Term of this Lease, the Extended Term Rent payable shall be an amount equal to 2.5% of Lessor's Capitalized Cost for the Cars.

SCHEDULE C TO LEASE

UNAMORTIZED COSTS OF CARS

On any date the unamortized cost of any Car shall be the sum of: (i) the determinable amount determined as provided below in this Schedule C plus (ii) if the date as of which such unamortized cost is calculated shall not be a Basic Rent Payment Date, interest at the rate of $5\frac{1}{4}\%$ per annum on such determinable amount for the period beginning on the immediately preceding Basic Rent Payment Date (or if there shall be no such Date, for the period beginning on the date on which such Car became subject to this Lease) and ending on and including the date as of which such unamortized cost is calculated or (iii) if such date of calculation shall be a Basic Rent Payment Date, the amount of Basic Rent payable with respect to such Car on such Date pursuant to this Lease. The determinable amount referred to in this Schedule C shall be:

(a) Prior to April 1, 1967, an amount equal to Lessor's Capitalized Cost of such Car shown on Schedule B hereof;

(b) On and after April 1, 1967 to and including March 31, 1987, an amount which bears the same proportion to the then applicable amount shown on Column 2 below as Lessor's Capitalized Cost for such Car set forth in Schedule B hereof bears to \$10,000.

<u>Column 1</u> For the Semi-Annual Period Beginning on:	<u>Column 2</u>
April 1, 1967	\$10,000
October 1, 1967	9,856
April 1, 1968	9,708
October 1, 1968	9,556
April 1, 1969	9,400
October 1, 1969	9,240
April 1, 1970	9,076
October 1, 1970	8,907
April 1, 1971	8,734
October 1, 1971	8,557
April 1, 1972	8,375
October 1, 1972	8,188
April 1, 1973	7,996
October 1, 1973	7,799
April 1, 1974	7,597
October 1, 1974	7,389
April 1, 1975	7,176
October 1, 1975	6,958
April 1, 1976	6,734
October 1, 1976	6,504
April 1, 1977	6,268
October 1, 1977	6,025
April 1, 1978	5,777
October 1, 1978	5,522
April 1, 1979	5,260
October 1, 1979	4,991
April 1, 1980	4,715
October 1, 1980	4,432
April 1, 1981	4,142
October 1, 1981	3,844
April 1, 1982	3,538
October 1, 1982	3,224
April 1, 1983	2,901
October 1, 1983	2,571
April 1, 1984	2,231
October 1, 1984	1,883
April 1, 1985	1,526
October 1, 1985	1,159
April 1, 1986	783
October 1, 1986	396

SCHEDULE D TO LEASE

LEASE SUPPLEMENT

Supplement No., dated as of, to that certain Railroad Equipment Lease and Agreement dated as of, 196., between First Union Properties, Inc. as Lessor and Allied Chemical Corporation as Lessee for an Initial Term and a Basic Term extending to and including March 31, 1987 (such Lease and Agreement, as herein supplemented, being hereinafter termed the Lease).

WHEREAS, Lessor and Lessee executed and delivered the Lease on, which Lease covers railroad cars of the type described in Schedule A thereof; and

WHEREAS, Section 25 of the Lease provides for the execution and delivery of supplements thereto whenever additional railroad cars are made subject to the Lease and Lessor and Lessee wish to make the cars of the types described in Schedule A hereof subject to the Lease;

Now, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which said considerations are hereby acknowledged and confessed by each party, it is hereby mutually agreed by and between Lessor and Lessee that the Lease shall be and the same hereby is supplemented, in the following particulars:

1. The railroad cars of the types and bearing the identifying symbol and car numbers set forth in Schedule A hereof are hereby made subject to the Lease and shall be Cars for all purposes of the Lease. Lessee hereby acknowledges delivery of the Cars and acknowledges that the Cars are in the possession of Lessee and subject to all the terms and conditions of the Lease. Lessee further acknowledges that each Car made subject to the Lease by this Supplement No. complies with the Rules of Interchange of the Association of American Railroads and with all governmental laws, rules, regulations and requirements relating to the construction and equipment of railroad cars of the same character as the Car and is in good order and ready for service.

2. Lessor's Capitalized Cost set forth in Schedule B to the Lease is hereby increased by the amount of \$....., which is the cost to Lessor of acquiring the Cars described in Schedule A hereof. Columns 1 and 2 of said Schedule B are hereby amended as follows:

<u>Column 1</u>	<u>Column 2</u>
<u>Category and Number of Cars</u>	<u>Lessor's Capitalized Cost for each Car in such Category</u>

3. The Basic Rent and Extended Term Rent of the Cars shall be calculated and paid on the basis of Lessor's Capitalized Cost as increased as provided in Section 2 hereof.

This Supplement is expressly made supplemental to and a part of the Lease. Lessor and Lessee agree that all the agreements, covenants, conditions and provisions contained in the Lease shall be applicable to the Cars made subject thereto by this Supplement and except as hereinabove expressly supplemented, the Lease shall be and remain unaltered and in full force and effect. Lessor and Lessee hereby confirm and ratify the Lease as supplemented hereby.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, all as of the day and year first above written.

FIRST UNION PROPERTIES, INC.

By
Vice President

Attest:
Secretary

ALLIED CHEMICAL CORPORATION

By
Vice President

Attest:
Assistant Secretary

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Lease by their respective officers thereunto duly authorized as of the day and year first above written.

FIRST UNION PROPERTIES, INC.

By Walter P. Miller
Vice President

LESSOR

Attest:

Charles W. Osage
Secretary

ALLIED CHEMICAL CORPORATION

By W. H. Seymour
Treasurer

LESSEE

Attest:

Robert H. Clinton Jr.
Assistant Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 30th day of March, 1966, before me, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared WALTER P. MILLER and CHARLES W. COSSEY, to me personally well known and well known to me to be a Vice President and an Assistant Secretary, respectively, of FIRST UNION PROPERTIES, INC., a corporation of the State of Delaware, one of the corporations named in and executing the within instrument bearing the date as of March 28, 1966, which instrument was produced to me in the County and State aforesaid, by the said WALTER P. MILLER and CHARLES W. COSSEY, who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and its Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at 8 Sidney Place, Brooklyn Heights, New York 11201 and 59 East 78th Street, New York, New York 10021, respectively; that they are a Vice President and Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by order and authority of its Board of Directors and that they signed their names as such officers thereto by like order; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

.....
Notary Public in and for the County
of New York and State of New York

My commission expires

[SEAL]

ELL
NOTARY PUBLIC, New York
No. 31-207200
Qualified in New York County
Commission Expires March 30, 1967

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 30th day of March, 1966, before me, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared WALTER H. SYKES and ROBERT C. WILSON, JR., to me personally well known and well known to me to be the Treasurer and an Assistant Secretary, respectively, of ALLIED CHEMICAL CORPORATION, a corporation of the State of New York, one of the corporations named in and executing the within instrument bearing the date as of March 28, 1966, which instrument was produced to me in the County and State aforesaid, by the said WALTER H. SYKES and ROBERT C. WILSON, JR., who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Treasurer and an Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at and, respectively; that they are the Treasurer and an Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by authority of its Board of Directors and that they signed their names as such officers thereto by like authority; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

.....
Notary Public in and for the County
and State of New York

THOMAS A. BUCOLO
NOTARY PUBLIC, State of New York
No. 46-047400
Qualified in Kings County
Commission Expires March 30, 1967

My commission expires

[SEAL]

LEASE SUPPLEMENT

Supplement No. 1, dated as of November 15, 1966, to that certain Railroad Equipment Lease and Agreement dated as of March 28, 1966, between First Union Properties, Inc. as Lessor and Allied Chemical Corporation as Lessee for an Initial Term and a Basic Term extending to and including March 31, 1967 (such Lease and Agreement, as herein supplemented, being hereinafter termed the Lease).

WHEREAS, Lessor and Lessee executed and delivered the Lease on March 31, 1966, which Lease covers 258 railroad cars of the type described in Schedule A thereof; and

WHEREAS, Section 25 of the Lease provides for the execution and delivery of supplements thereto whenever additional railroad cars are made subject to the Lease and Lessor and Lessee wish to make the 46 cars of the types described in Schedule A hereof subject to the Lease;

Now, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which said considerations are hereby acknowledged and confessed by each party, it is hereby mutually agreed by and between Lessor and Lessee that the Lease shall be and the same hereby is supplemented, in the following particulars:

1. The 46 railroad cars of the types and bearing the identifying symbol and car numbers set forth in Schedule A hereof are hereby made subject to the Lease and shall be Cars for all purposes of the Lease. Lessee hereby acknowledges delivery of the Cars and acknowledges that the Cars are in the possession of Lessee and subject to all the terms and conditions of the Lease. Lessee further acknowledges that each Car made subject to the Lease by this Supplement No. 1 complies with the Rules of Interchange of the Association of American Railroads and with all governmental laws, rules, regulations and requirements relating to the construction and equipment of railroad cars of the same character as the Car and is in good order and ready for service.

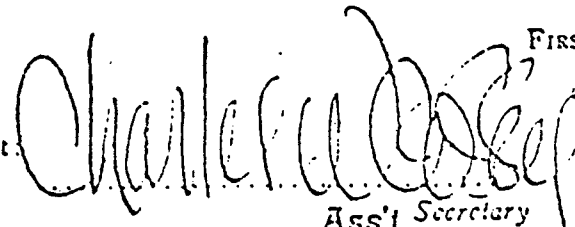
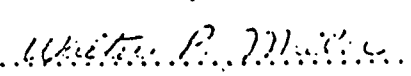
2. Lessor's Capitalized Cost set forth in Schedule B to the Lease is hereby increased by the amount of \$858,113, which is the cost to Lessor of acquiring the Cars described in Schedule A hereof. Columns 1 and 2 of said Schedule B are hereby amended to add the following thereto:

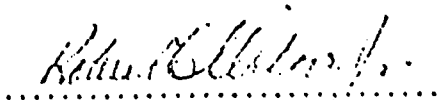
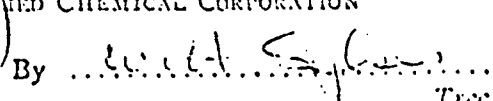
Column 1 Category and Number of Cars	Column 2 Lessor's Capitalized Cost for each Car in such Category
X-10	9 @ \$16,664
XI-10	1 @ 16,665
XII-3	21,550
XIII-10	21,492
	7 @ 20,348
	3 @ 20,349
XIV-13	16,001

3. The Basic Rent and Extended Term Rent of the Cars shall be calculated and paid on the basis of Lessor's Capitalized Cost as increased as provided in Section 2 hereof.

This Supplement is expressly made supplemental to and a part of the Lease. Lessor and Lessee agree that all the agreements, covenants, conditions and provisions contained in the Lease shall be applicable to the Cars made subject thereto by this Supplement and except as hereinabove expressly supplemented, the Lease shall be and remain unaltered and in full force and effect. Lessor and Lessee hereby confirm and ratify the Lease as supplemented hereby.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, all as of the day and year first above written.

Attest:  FIRST UNION PROPERTIES, INC.
By  Vice President
Ass't Secretary

Attest:  ALLIED CHEMICAL CORPORATION
By  Treasurer
Assistant Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 11th day of November, 1966, before me Eileen M. Kelly, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared WALTER P. MILLER and CHARLES W. COSSEY, to me personally well known and well known to me to be a Vice President and an Assistant Secretary, respectively, of FIRST UNION PROPERTIES, INC., a corporation of the State of Delaware, one of the corporations named in and executing the within instrument bearing the date as of November 15, 1966, which instrument was produced to me in the County and State aforesaid, by the said WALTER P. MILLER and CHARLES W. COSSEY, who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and its Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at 8 Sidney Place, Brooklyn Heights, New York 11201 and 59 East 78th Street, New York, New York 10021, respectively; that they are a Vice President and Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by order and authority of its Board of Directors and that they signed their names as such officers thereto by like order; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

EILEEN M. KELLY
NOTARY PUBLIC, State of New York
No. 31-2077200
Qualified in New York County
Commission Expires March 30, 1967

My commission expires

.....
Notary Public in and for the County
of New York and State of New York

[SEAL]

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 15th day of November, 1966, before me, *Mary N. McLaughlin*, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared WALTER H. SYKES and ROBERT C. WILSON, JR., to me personally well known and well known to me to be the Treasurer and an Assistant Secretary, respectively, of ALLIED CHEMICAL CORPORATION, a corporation of the State of New York, one of the corporations named in and executing the within instrument bearing the date as of November 15, 1966, which instrument was produced to me in the County and State aforesaid, by the said WALTER H. SYKES and ROBERT C. WILSON, JR., who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Treasurer and an Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at 114 Highwood Avenue, Tenally, New Jersey and 876 Park Avenue, New York, New York, respectively; that they are the Treasurer and an Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by authority of its Board of Directors and that they signed their names as such officers thereto by like authority; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

Mary N. McLaughlin
Notary Public in and for the County
and State of New York

MARY N. McLAUGHLIN
NOTARY PUBLIC, State of New York
My commission expires Mar 23 1968
Qualified in New York County
Comm. Exp. in New York County
Commission Exp. Mar 23, 1968

[SEAL]

SCHEDULE A

DESCRIPTION OF THE EQUIPMENT

<u>Number of Cars</u>	<u>Interstate Commerce Commission Specification Number</u>	<u>Old Identifying Symbol and Number</u>	<u>New Identifying Symbol and Number</u>	<u>Category for Purposes of Schedule B</u>
10	111-A-100-W-1	ACSX616000-616009	ACSX616000-616009	X
10	111-A-100-W-5	ACSX220100-220109	ACSX220100-220109	XI
3	112-A-400-W	ACSX223000-223002	ACSX223000-223002	XII
10	111-A-100-W-5	ACSX220110-220119	ACSX220110-220119	XIII
13	111-A-100-W-5	ACSX24715-24727	ACSX24715-24727	XIV

RAILROAD EQUIPMENT LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT (herein called this Lease), dated as of July 1, 1964, between FIRST UNION PROPERTIES, INC., a Delaware corporation having an address in care of THE PRENTICE-HALL CORPORATION SYSTEM, INC., 229 South State Street, Dover, Delaware (herein called Lessor), and ALLIED CHEMICAL CORPORATION, a New York corporation, with an office and post-office address at 61 Broadway, New York, New York (herein called Lessee).

Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents hereby lease to Lessee the railroad cars listed and described in Schedule B, attached hereto and made a part hereof, (hereinafter collectively called the Cars).

1. *Title.* Title to the Cars shall at all times remain in Lessor and at no time shall title become vested in Lessee, except as otherwise expressly provided in this Lease. This is a contract of lease only, and Lessee shall acquire no right, title or interest in or to the Cars, other than the right to use the same under the terms and conditions hereof.

2. *Delivery.* Lessee acknowledges delivery of the Cars to it as Lessee and its acceptance and possession hereunder. Lessee has examined and is familiar with Lessor's title to the Cars and has found the same to be satisfactory for all purposes hereunder. Lessor makes no warranty or representation whatsoever, express or implied, in respect of the Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to Lessor's title thereto or otherwise, it being agreed that all such risks are to be borne by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf and for the account of Lessee to make and enforce, from time to time, at Lessee's sole cost and expense, whatever claim or claims Lessor may have against the seller or the manufacturer of the Cars under any warranty, express or implied, in respect thereof.

3. *Term.* (A) *Initial and Basic Term.* Subject to the terms and provisions herein contained, this Lease shall be and remain in full force and effect for an initial term commencing on August 25, 1964 and ending at midnight on March 31, 1965 (herein called the Initial Term) and for a basic term commencing on April 1, 1965 and ending at midnight on March 31, 1985 (herein called the Basic Term).

(B) *Extension of Term.* Lessor hereby grants to Lessee the right to extend the term of this Lease beyond the Basic Term for three successive periods of five years each (any such period being herein called an Extended Term), upon all of the terms and conditions set forth in this Lease, except that during any Extended Term, the Extended Term Rent (as defined in Section 4) shall be as set forth in Section 4 and except that the number of Extended Terms permitted hereunder shall be reduced by one upon each such extension so that the entire term of this Lease as so extended shall in no event extend beyond March 31, 2000. Lessee shall exercise its right to extend the term of this Lease by delivering written notice of such extension to Lessor not less than 90 nor more than 180 days prior to the expiration of the term of this Lease then in force; provided, however, that the time for the delivery of such notice by Lessee shall be extended for 60 days unless Lessor notifies Lessee within 120 days prior to the expiration of the term of this Lease then in force of the existence of the right to extend the term hereof, as provided in this Section 3(B). Lessor reserves to itself, in addition to the other rights and remedies herein expressed or which are or may hereafter be conferred upon Lessor by law, the right to terminate this Lease and the leasehold estate hereby granted, in case of default on the part of Lessee in the performance of any of the terms, covenants, agreements and conditions which shall constitute an event of default as defined in Section 22.

4. *Rent.* (A) *Basic Rent and Extended Term Rent.* Lessee shall pay to Lessor, without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the office of Bankers Trust Company, 16 Wall Street, New York, N. Y., Attention Corporate Trust Division or at such place or to such agent as Lessor from time to time may designate, the net basic rental (herein called the Basic Rent during the Initial and Basic Term and Extended Term Rent during any Extended Term). The Basic Rent shall be in the amounts determined as provided in Schedule C and shall be payable by Lessee on the Basic Rent Payment Dates set forth in item 1 of Schedule A. The Extended Term Rent shall be in the amounts determined as provided in Schedule C and shall be payable by Lessee on the Extended Term Rent Payment Dates set forth in item 2 of Schedule A.

(B) *Additional Rent.* Lessee will also pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay, except that amounts payable as

the purchase price for any or all of the Cars pursuant to any provision of this Lease and the amounts payable as liquidated damages referred to in Section 22 hereof shall not constitute additional rent. In the event of any failure on the part of Lessee to pay any of the same, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of the Basic Rent and Extended Term Rent. Lessee will also pay Lessor, on demand, as additional rent, interest at the rate of 6% per annum on all overdue instalments of Basic Rent and Extended Term Rent from the due date thereof until payment.

(C) *No Set-Off.* Lessee shall pay Basic Rent, Extended Term Rent and additional rent without notice, demand, set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction and, except as otherwise expressly provided in this Lease, Lessee shall have no right to terminate this Lease or to be released, relieved or discharged from any obligations or liabilities hereunder for any reason whatsoever, including, without limitation: (i) any damage to, destruction, theft or loss of the Cars; (ii) any limitation, restriction, deprivation or prevention of, or any interference with, any use of the Cars; (iii) any confiscation, requisition or taking of the Cars by any governmental authority; (iv) any action, omission or breach on the part of Lessor or any Assignee, as hereinafter defined, under this Lease or under any other agreement at the time existing between Lessor and Lessee or such Assignee and Lessee; (v) the breach of any warranty of the seller or the manufacturer of the Cars; (vi) any defect in Lessor's title to the Cars; (vii) any claim as a result of any other business dealings of Lessor or Lessee; or (viii) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or similar proceeding involving or affecting Lessor or any Assignee, or any action with respect to this Lease which may be taken by any trustee or receiver of Lessor or of any Assignee or by any court in any such proceeding; and Lessee hereby covenants and agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take any action to terminate the term of this Lease (except as expressly provided herein), terminate this Lease, rescind or avoid this Lease, notwithstanding any of the foregoing. All payments by Lessee hereunder shall be final, and Lessee will not seek to recover any such payment or any part thereof for any reason whatsoever. Lessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate or surrender this Lease, or (ii) to any abatement, suspension, deferment, diminution or reduction of Basic Rent, Extended Term Rent or additional rent, on account of any such occurrence.

5. *Mileage Allowances.* Lessee shall receive, in so far as applicable law and regulations allow, all mileage allowances, rentals and/or other compensation payable by carriers by reason of the use of the Cars (hereinafter called "Mileage"), and it is understood and agreed that if for any reason Lessor receives any Mileage, then (unless an event of default specified in Section 22 shall have occurred and be continuing) Lessor shall remit such Mileage to Lessee promptly after Lessee shall have furnished or caused to be furnished to Lessor an opinion, ruling or other evidence, satisfactory to Lessor, that the remittance thereof to Lessee will not violate any applicable law or regulation.

6. *Identifying Legend.* Lessee shall cause to be plainly, distinctly, permanently and conspicuously stencilled upon each side of each Car the following words in letters not less than one inch in height:

"FIRST UNION PROPERTIES, INC., AS OWNER, LESSOR

BANKERS TRUST COMPANY, AS TRUSTEE, MORTGAGEE AND ASSIGNEE".

If during the continuance of this Lease any of such words shall at any time be defaced or destroyed on any Car, Lessee shall immediately cause such defaced or destroyed words to be restored or replaced. Lessee shall not allow the name of any person, firm, corporation or entity to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, firm, corporation or entity other than Lessor; but Lessee may letter the Cars with the names or initials or other insignia now or hereafter customarily used by Lessee on its railroad cars of the same or a similar type.

7. *Numbering.* Lessee will (unless the same shall have been done prior to the date of commencement of this Lease) cause the identifying symbol ACSX to be placed on, and will cause one of Lessee's car numbers to be assigned to and placed on, each side of each such Car, such car numbers to be as set forth in Schedule B hereof, and at all times thereafter Lessee will cause each Car subject to this Lease to bear on each side thereof such identifying symbol and the car number so assigned to it.

Lessee shall, not later than April 15, 1965, cause the identifying symbol and car number required by this Section 7 and the identifying legend required by Section 6 to be placed upon

at least 60% in number of the Cars and will cause all Cars to be so identified not later than October 15, 1965. Lessee will furnish to Lessor (i) not later than April 15, 1965 a certificate to the effect that it has complied with the provisions of the preceding sentence required to be done prior to such time and (ii) not later than October 15, 1965 a certificate to the effect that it has completed the placing upon all Cars of all legends, symbols and numbers required by Section 6 and this Section 7.

8. *Taxes and Other Charges.* (A) Lessee shall duly pay to the governmental or other authority assessing, levying or imposing the same, as additional rent, before they become delinquent, all taxes, assessments and other governmental charges levied or assessed upon the Cars or the interest of Lessee thereunder or in respect thereof, the use or operation thereof or the earnings arising from the use or operation thereof, and all sales and use taxes which may be levied or assessed against Lessor or Lessee on account of the acquisition or leasing of the Cars, and shall promptly pay or reimburse Lessor for all taxes, assessments and other governmental charges levied or assessed against Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof or the earnings arising therefrom, including any taxes on the Basic Rent or additional rent, exclusive, however, of taxes on Lessor's income or on Mileage retained by Lessor (except any such tax on Lessor's income which is in substitution for, or relieves Lessee from the payment of, taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided, and except as otherwise provided in Section 12). In the event any tax reports are required to be made on the basis of individual Cars, Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

(B) Lessee covenants to furnish to Lessor, within 60 days after demand by Lessor, proof of the payment of any tax, assessment, or other governmental or similar charge in respect of the Cars which is payable by Lessee as in this Section provided.

9. *Reports and Inspection.* Lessee will furnish to Lessor on or before the 15th day of April, 1965, and annually thereafter, and at such other times as Lessor shall reasonably request, during the continuance of this Lease, a certificate signed by the President or any Vice President of Lessee, stating

(i) as of the preceding 31st day of December, (a) the car numbers of all Cars then subject to this Lease, (b) the car numbers of all Cars that have become lost, destroyed or damaged beyond repair or the title or use of which has been confiscated, requisitioned or taken during the period elapsed since the end of the period covered by the last previous such certificate (or since the date of delivery hereof in the case of the first such report), (c) the car numbers of all serviceable Cars, (d) the car numbers of all Cars awaiting repairs and (e) the car numbers of all Cars in the shops for repairs, and

(ii) that, in the case of all Cars repainted or repaired during such period, the stencilled identification legends required to be placed thereon by Section 6 have been replaced or preserved on such Cars or that such Cars have been again stencilled as required by Section 6 and that the identifying symbol and the appropriate car number have been replaced or preserved on each side of each such Car in accordance with Section 7.

Lessor shall have the right, by its authorized representatives, to inspect the Cars, at the sole but reasonable cost and expense of Lessee, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of this Lease.

10. *Recording.* Lessee will promptly cause this Lease and each supplement hereto to be filed with the Interstate Commerce Commission and to be filed, registered or recorded wherever else required (and thereafter will cause it to be filed, registered or recorded and refiled, reregistered or rerecorded whenever and wherever required) in each place in the United States of America or elsewhere for the proper protection, to the satisfaction of Lessor, of Lessor's title to the Cars; and Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) any and all further instruments, required by law or reasonably requested by Lessor, for the purpose of such protection of its title, or for the purpose of carrying out the intention of this Lease. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister and rerecord whenever required) all other instruments (including but not limited to manufacturer's certificates of

construction and interchange agreements) in such manner and in such places as shall be required by any present or future law, rule or regulation. Lessor hereby appoints Lessee its agent and attorney-in-fact for and in its name and behalf to execute, acknowledge, deliver, file, register and record (and refile, reregister and rerecord) any and all instruments that Lessor may be required by law to file, register and record and Lessee agrees so to do. Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of this Lease and incident to the preparation, execution, filing, refiling, registering, reregistering, recording and rerecording of any such further instrument and incident to the taking of any such other action.

11. *Indemnification.* Lessee agrees to pay, and to protect, indemnify and save harmless Lessor from and against: (i) any and all liabilities, damages, expenses (including, without limitation, attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever arising from injury to persons or property growing out of or connected with the ownership or use of the Cars or resulting from the condition thereof, and (ii) any liability for violation of any agreement or condition of this Lease to be performed by Lessee or of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Cars or the ownership or use thereof.

12. *Liens, Encumbrances and Charges; Certain Rights Upon Discharge.* (A) Subject to Sections 20 and 21 (B) Lessee will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance and charge upon the Cars or any thereof or upon Lessee's leasehold interest therein, and Lessee agrees to protect and defend the title of Lessor to the Cars from any such liens, encumbrances and charges; provided that Lessee will not be required to discharge any lien, encumbrance or charge created by Lessor or resulting from actions of Lessor, unless it is necessary for Lessee to discharge such lien, encumbrance or charge in order to comply with paragraph (B) of this Section.

(B) Any other provision of this Lease notwithstanding, if for any reason whatsoever, (i) the Basic Rent or any additional rent, including without limitation any sums payable under this Section 12(B) (all such rents and sums being hereinafter in this Section 12(B) collectively called the rentals), payable during the term of this Lease shall be diminished or subject to any diminution through attachment, claim, demand, charge, lien, levy, order, process, encumbrance or for any other reason, similar or dissimilar to the foregoing, or shall be subject to withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, foreseen or unforeseen, incurred by or against any person, firm, corporation or entity whomsoever, or by reason of any claims, demands, charges or liens of any nature, foreseen or unforeseen, incurred by any person or against the rentals, so that the rentals would thereby be rendered inadequate or would be unavailable to meet the periodic instalments of principal of and interest on any obligations or indebtedness secured by any assignment of this Lease, or (ii) the payment in full of the rentals when the same are due and payable under this Lease shall be delayed, hindered or prevented, or in any way adversely affected, or (iii) the use or application of the rentals by any Assignee thereof for its own purposes shall be hindered, delayed or prevented or the right of such Assignee so to use or apply the same shall in any way be adversely affected, or (iv) such Assignee refuses so to apply the rentals because of a threatened or pending suit in any court as a result of which such Assignee in good faith considers it may have personal liability if it does so apply them, or (v) the holders of any obligations or indebtedness secured by any assignment of this Lease shall be subject to any liability or obligation to refund or pay over the rentals, then, in any such event, Lessee will promptly pay as additional rent, and take any action and incur any additional expense that may be necessary to the proper application of, sums of money sufficient to (i) pay fully and discharge such taxes, assessments, expenses, indebtedness, obligations and liabilities and to eliminate or nullify the cause of such attachment, withholding, diminution, claim, demand, charge, lien, levy, order, process and encumbrance, (ii) eliminate or prevent any delay, hindrance or obstacle in the payment in full of the rentals when the same are due and payable under this Lease and in the use or application thereof by such assignee for its purposes, and (iii) protect fully the right of such Assignee to use or apply the rentals for its purposes, and will indemnify such Assignee against any personal liability which may arise from applying the rentals and the holders of any obligations or indebtedness secured by any assignment of this Lease against any liability or obligation to repay, or any loss in repaying, any moneys received from such assignee. It is the intention of the parties hereto that the Basic Rent shall be received and enjoyed by Lessor or such Assignee thereof as an absolutely net sum, and that Lessee shall pay all charges which diminish said sum or render the same inadequate as aforesaid, so that the Basic Rent shall be available for application to the payment of any obligations or indebtedness secured by an assignment of this Lease, without diminution for any reason.

(C) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have a claim against Lessor to be reimbursed for such sum with interest thereon at 6% per annum from the date of such payment, provided that such claim shall not be enforceable under any circumstances during the Initial Term or the Basic Term of this Lease, or if any notes secured by any assignment of this Lease shall not have been paid in full, but shall be enforceable, provided, that Lessee shall not be in default under this Lease, during any Extended Term of this Lease and may be set off against, but only against, either (i) any Extended Term Rent payable by Lessee under this Lease during any Extended Term hereof or (ii) the purchase price payable by Lessee under this Lease upon any purchase of the Cars or any of them pursuant to an offer which shall be made or an option which shall be exercised during any Extended Term of this Lease.

(D) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee may notify Lessor of Lessee's intention to terminate this Lease on any business day specified in such notice which occurs not less than 60 nor more than 180 days after the making of such payment, provided that as part of such notice of termination Lessee shall give its irrevocable undertaking to purchase the Cars on such date of termination at a price determined in accordance with Schedule D hereof as of such date of termination. Such price shall be payable as an absolutely net sum, without diminution for any reason, it being the intention of the parties hereto that such price shall be adequate to discharge in full any notes secured by any assignment of this Lease at the unamortized cost of the Cars (such unamortized cost of the Cars to be determined as provided in Schedule D) on such date of termination, and if such purchase price should be diminished or subject to diminution in any way for any reason, the provisions of Section 12(B) shall be applicable and Lessee shall pay any additional sum required to effectuate such intention. Lessee shall deliver such notice and undertaking to Lessor at least 30 days prior to the proposed date of termination. On such date of termination, Lessor shall transfer and convey the Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18, and Lessee shall pay to Lessor in cash the purchase price therefor.

(E) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have an option, as hereinafter provided, to purchase from the owners thereof, on any date occurring during the Basic Term of this Lease and within 180 days after the making of such payment, any notes secured by any assignment of this Lease at the unamortized cost of the Cars (such unamortized cost of the Cars determined as provided in Schedule D) on the date of purchase of such notes at a price equal to the then unpaid principal balance of such notes and interest accrued and unpaid thereon. Lessor agrees that any mortgage pursuant to which such notes are issued shall contain a provision giving Lessee such option to purchase notes upon at least 30 days prior written notice to Lessor and in such form as shall be satisfactory to Lessee. In the event that Lessee shall have so purchased such notes, Lessee shall then and thereafter, so long as this Lease shall remain in effect, have an option to purchase the Cars for one dollar. Lessor shall have no obligation to cause the owners of such notes to sell the same to Lessee except to cause such provision to be included in such mortgage.

13. *Maintenance; Compliance with Laws and Rules.* Lessee agrees to maintain and keep the Cars in good mechanical condition, repair and order, ordinary wear and tear excepted, at its own cost and expense. Lessor shall not be required to make any repairs or replacements of any nature or description with respect to the Cars or to make any expenditure whatsoever in connection with this Lease or to maintain the Cars.

Lessee agrees to comply with all governmental laws, regulations and requirements, and with the Rules of Interchange of the Association of American Railroads (or of any successor thereto), with respect to the use, maintenance and operation of each Car; in case any equipment or appliance on any Car shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on any Car in order to comply with such laws, regulations, requirements and Rules, Lessee agrees to make such changes, additions and replacements; and Lessee agrees to maintain each Car in full compliance with such laws, regulations, requirements and Rules so long as it is subject to this Lease.

Any parts installed or replacements made upon the Cars by Lessee shall be considered accessions to the Cars and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor.

14. *Payment for Lost, Destroyed or Damaged Cars and for Cars Confiscated, Requisitioned or Taken.* (A) If any Car shall become lost, destroyed or damaged beyond repair or if any

governmental authority shall confiscate, requisition or take the title to any Car, then, on the Basic Rent Payment Date or Extended Term Rent Payment Date next succeeding the day on which such loss, destruction, damage, confiscation, requisition or taking shall occur, Lessee shall pay to the Lessor, as damages in lieu of any further claim of Lessor to or on account of such Car, an amount in cash equal to the unamortized cost of such Car as determined in accordance with Schedule D.

(B) Whenever any such cash payment is made to Lessor under this Section with respect to any Car, (i) the Basic Rent or Extended Term Rent payable with respect to such Car on each Basic Rent Payment Date or Extended Term Rent Payment Date occurring after the Basic Rent Payment Date or Extended Term Rent Payment Date on which such payment of damages by Lessee shall occur shall be abated with respect to such Car, (ii) such Car shall thereafter no longer be deemed to be one of the Cars subject to this Lease, (iii) if such payment of damages shall be made by reason of loss, damage or destruction, Lessee shall be entitled to the proceeds of any settlement made by any insurance company, railroad company or other person, firm, corporation or entity in connection with such loss, destruction or damage beyond repair, whether such settlement is made with Lessor or Lessee, except that if Lessor shall take out and pay for any policy of insurance on such Car, then Lessor shall be entitled to the entire proceeds of any settlement made under such policy in connection with such loss, destruction or damage beyond repair, and (iv) if such payment of damages shall be made by reason of any confiscation, requisition or taking, Lessee shall be entitled to any award or compensation allowed or paid. Lessor hereby irrevocably authorizes and empowers Lessee, in the name of Lessor or otherwise, to negotiate, accept, reject, file and prosecute any claim, including what would otherwise be Lessor's claim, for any award or compensation on account of any confiscation, requisition or taking referred to in this Section and to collect and receipt for the same. Lessee shall bear the risk of and, except as hereinabove in this Section provided, shall not be released from its obligations hereunder in the event of, any loss, destruction, damage, confiscation, requisition or taking of any of the Cars for any cause whatsoever after the acceptance of delivery thereof hereunder by the Lessee. Lessee shall bear all costs and expenses incurred in connection with the obtaining of any settlement or the obtaining of any award.

(C) Lessee shall notify Lessor of the loss, destruction, irreparable damage, confiscation, requisition or taking of any Car promptly after the same shall occur.

15. *Substitution of Cars.* Provided that Lessee shall not be in default under this Lease, and subject to any applicable provisions of the Indenture, Lessee at any time and from time to time upon 30 days' prior notice to Lessor may substitute for any five or more Cars (in this Section termed Replaced Cars) other railroad cars manufactured within 9 months of the date of any such substitution (in this Section termed Substituted Cars), provided that upon each substitution of cars,

(i) each Substituted Car shall have an estimated remaining useful life not less than the greatest estimated remaining useful life of any Replaced Car, as evidenced by a certificate of a principal executive or financial officer of Lessee, dated not earlier than 10 days prior to the date of such substitution,

(ii) the aggregate fair market value of the Substituted Cars, as certified by such officer, shall be not less than the greater of (a) the aggregate fair market value of the Replaced Cars, certified in like manner, which certificate shall state the fair market value of each Substituted Car or (b) the aggregate of the purchase prices payable by the Lessee for the Replaced Cars in the event of its purchase of such Replaced Cars pursuant to Section 16(A),

(iii) Neither the aggregate of the Basic Rent payable hereunder by Lessee nor the aggregate of the purchase prices payable by Lessee upon its purchase of any Car pursuant to any provision of this Lease shall be changed by reason of any substitution of Cars, and the amounts of Basic Rent and unamortized cost (as determined in accordance with Schedule D hereof) attributable to the Replaced Cars shall be allocated to the Substituted Cars in the same proportion as the fair market value of each Substituted Car, as certified as aforesaid, shall bear to the fair market value of all Substituted Cars,

(iv) Lessee shall deliver to Lessor a bill of sale for the Substituted Cars warranting that Lessee has title thereto free and clear of all liens and encumbrances,

(v) Lessee shall deliver to Lessor an opinion of Lessee's General Counsel to the effect that Lessee lawfully owns the Substituted Cars and has good and valid title thereto, free of all liens and encumbrances and as to the matters specified in Section 19,

(vi) Lessee shall deliver to Lessor a certificate, dated not earlier than 10 days prior to the date of such substitution and signed by a principal executive or financial officer of Lessee, setting forth the date of manufacture of each Substituted Car, the original cost thereof, the unamortized cost of each Replaced Car as determined as provided in Schedule D and stating that the Lessee intends to use the Substituted Cars in its business, and that the appropriate identifying legend, symbol and number have been placed on each Substituted Car as provided in Section 6 and Section 7,

(vii) Lessee shall deliver to Lessor on the date of substitution a certificate, dated such date, and signed by a principal executive or financial officer of Lessee, to the effect that (a) the substitution has been duly authorized by Lessee, (b) Lessor has no unsatisfied obligations to Lessee, that no offset exists with respect to the Basic Rent (or Extended Term Rent if an Extended Term then be in effect) or other sums payable by Lessee hereunder and no default on the part of Lessee exists hereunder and (c) the Substituted Cars comply with all applicable laws, ordinances, rules and regulations and may be used for the purposes contemplated by the Lessee,

(viii) the Lessee shall pay all taxes, including all sales and use taxes (except taxes measured by income) and expenses incurred by Lessor and Lessee upon or in connection with each such substitution of cars, and

(ix) there shall be executed and delivered a supplement to this Lease in form and substance satisfactory to the Lessor and counsel for the Lessor

(a) conveying and transferring the Substituted Cars and confirming that they are subject to this Lease,

(b) amend Schedule B so as to make the Substituted Cars subject hereto,

(c) making such other changes in this Lease as may be necessary by reason thereof,

(d) ratifying and confirming this Lease in all other respects.

16. *Purchase Options.* (A) Provided that Lessee shall not be in default under this Lease, if in the judgment of Lessee the continued use of any of the Cars shall be uneconomic in the conduct of Lessee's business, then Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to such Cars on the next succeeding Basic Rent Payment Date, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars on such Basic Rent Payment Date at a price determined in accordance with Schedule D hereof as of such Basic Rent Payment Date. Such notice and undertaking shall be accompanied by a certificate, signed by one of its principal executive officers or by any Vice President of Lessee, to the effect that Lessee has determined that the further use of such Cars is uneconomic in the conduct of Lessee's business. Lessee shall deliver such notice, undertaking and certificate to Lessor at least 45 days prior to the proposed date of termination. On such date of termination, Lessor shall sell all such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

(B) Provided that Lessee shall not be in default under this Lease, Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to any of the Cars on the first Basic Rent Payment Date in the years 1970, 1975, 1980 or 1983, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars on such date at a price determined in accordance with Schedule D hereof as of such date and provided, further, that if such purchase shall occur on March 31, 1970 Lessee shall pay an additional amount equal to 3.31% of such purchase price. Lessee shall deliver such notice and undertaking to Lessor at least 45 days prior to the proposed date of termination. On such date of termination, Lessor shall sell such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

17. *Purchase Offer.* Provided that Lessee shall not be in default under this Lease, Lessee shall have the right not less than 75 nor more than 100 days prior to any Basic Rent Payment Date occurring during the Basic Term of this Lease after April 1, 1975 to make an offer to Lessor to purchase all (but not less than all) of the Cars on the next succeeding Basic Rent Payment Date, at a price equal to the sum of (i) an amount equal to the then applicable purchase price shown on Schedule D hereto and (ii) an amount equal to a percentage of item (i), which shall be 1.65% in the year beginning April 1, 1975, 1.24% in the year beginning April 1, 1976, .83% in the year beginning April 1, 1977, .42% in the year beginning April 1, 1978 and 0% in the year beginning April 1, 1979 and thereafter. No such offer shall be made more than once in any calendar year. In the case of each such offer Lessor shall accept or reject such offer by

notice to Lessee within 45 days after Lessor receives such offer. If Lessor does not accept Lessee's offer to purchase the Cars within such 45-day period, Lessee shall have the right to terminate this Lease on the Basic Rent Payment Date next succeeding the date of making of such offer by sending to Lessor notice of termination within 15 days after Lessee receives Lessor's rejection of Lessee's offer or, if Lessor fails to deliver an acceptance or rejection to Lessee, within 15 days following the latest date on which Lessor could have delivered such acceptance or rejection to Lessee. If Lessee shall terminate this Lease pursuant and subject to the immediately preceding sentence, Lessee shall have no further obligations or liabilities under this Lease, except such obligations or liabilities, actual or contingent, under this Lease as shall have arisen on or prior to said date of termination. Any sale of the Cars under this Section shall be made upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

18. *Payment and Title Upon Purchase.* In the event of any purchase of any one or more or all of the Cars by Lessee pursuant to any provision of this Lease, Lessor shall not be obligated to give any better title than existed at the time of Lessor's acquisition of title, and Lessee shall accept such title subject, however, to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by Lessor and (ii) any laws, regulations and ordinances.

Lessee shall tender to Lessor or any Assignee, as hereinafter defined, the consideration for the purchase, and Lessor shall deliver a bill of sale or other instrument conveying title to the Cars to be purchased to Lessee pursuant to this Section 18. Lessee shall pay all charges incident to any sale or transfer, including applicable federal, state or local taxes and the like. Title to such Cars shall be delivered to Lessee at such place and time as Lessor and Lessee shall agree.

This Lease shall not terminate on the date on which Lessee shall be obligated to purchase the Cars to be purchased, nor shall Lessee's obligations hereunder cease until Lessee shall have paid the purchase price then payable for the Cars to be purchased (without regard to whether or not any delay in such purchase shall be due to the fault of Lessor), without set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or deduction by reason of any taxes, expenses, indebtedness, obligations, claims, demands, charges and liens of any character incurred by any person or for any other reason, and until Lessee shall have discharged, or made provisions satisfactory to Lessor for the discharge of, all other obligations and liabilities, actual or contingent, of Lessee under this Lease, which obligations and liabilities shall have arisen on or before the date for the purchase of the Cars to be purchased.

19. *Opinion of Counsel.* Concurrently with the execution and delivery of this Lease and of any supplement hereto, Lessee will deliver to Lessor the written opinion of General Counsel for Lessee, in form and substance satisfactory to Lessor and its counsel, to the effect that

(i) Lessee is a corporation duly organized and validly existing and in good standing under the laws of the State of New York, with all requisite power and authority to enter into and perform this Lease, including any supplement hereto and to lease and operate the Cars;

(ii) this Lease, including any supplement hereto, has been duly executed and delivered, pursuant to due authorization, by Lessee and constitutes a valid and binding agreement legally enforceable against Lessee in accordance with its terms and has been recorded or filed in all offices in which recording or filing is necessary to give notice or to protect the validity thereof;

(iii) no authorization, order, license, permit, franchise, or consent of, or registration, declaration or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Lease and any supplement hereto or if any such approval, authorization, order, license, permit, franchise, consent, registration, declaration or filing is required, specifying the same and stating that the same has been obtained or made and is in full force and effect;

(iv) neither the execution or delivery of this Lease and any supplement hereto, nor performance hereof, nor the consummation of the transactions herein contemplated will conflict with or result in a breach of any of the terms, provisions or conditions of the certificate of incorporation or by-laws of Lessee, or of any present statute or administrative regulation, or of any order, writ, injunction, judgment or decree of any court or governmental authority, or of any agreement or instrument to which Lessee is a party or by which it is bound, or constitute a default thereunder, or result in the creation of any lien, charge or encumbrance upon the Lessee's leasehold interest under this Lease, including any supplement hereto, in the Cars pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it may be bound; and

(v) as to such other matters incident to the transactions contemplated as Lessor may reasonably require.

20. *Assignment and Subletting.* With the prior written consent of Lessor, Lessee may sublet the Cars and may assign or otherwise transfer all of its rights and interests hereunder and may renew, amend, release or cancel any sublease, assignment or transfer entered into pursuant to this Section; provided that any assignee or transferee (other than a sublessee) shall execute and deliver to Lessor an instrument, satisfactory in substance and form to Lessor, assuming all the obligations hereunder of the assigning or transferring lessee; and provided, further, that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessee hereunder, but this Lease shall continue in full force and effect and all obligations of Lessee hereunder shall continue in full force and effect as the obligations of a principal and not as the obligations of a guarantor or surety. Neither this Lease nor the term hereby demised and let shall be mortgaged by Lessee nor shall Lessee mortgage or pledge the interest of Lessee in and to any sublease or the rentals payable thereunder. Any such mortgage and any such assignment, transfer, sublease or pledge made by Lessee in violation of this Section 20 shall be void.

21. *Default; Permitted Contests.* (A) If Lessee at any time shall fail to make any payment or perform any act on its part to be made or performed under this Lease, then Lessor may (but shall not be obligated to), without notice to or demand upon Lessee and without waiving or releasing Lessee from any obligations or default of Lessee hereunder, make any such payment or perform any such act for the account and at the expense of Lessee. All sums so paid by Lessor and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Lessor, together with interest at the rate of 6% per annum from the date of the making of such payment or the incurring of such costs and expenses by Lessor, shall be deemed additional rent hereunder and shall be payable by Lessee to Lessor, on demand, and Lessee covenants to pay any such sum or sums with interest, as aforesaid.

(B) Lessee shall not be required by any provision of this Lease to pay, discharge or remove any tax, lien, assessment, or encumbrance, or any other imposition or charge on or against the Cars or any thereof, so long as Lessee shall (after prior written notice to Lessor) in good faith contest at its expense the same or the validity or amount thereof by appropriate legal proceedings which shall operate to prevent the collection or satisfaction of the tax, lien, assessment, encumbrance, imposition or charge so contested and the sale of the Cars or any thereof to satisfy the same, and pending any such proceedings Lessor shall not have the right to pay, remove, or cause to be discharged the tax, lien, assessment, encumbrance, imposition or charge thereby being contested, provided that Lessee shall, prior to the date that any such item is claimed to be due and payable, have given such security as may be required in the proceedings and such reasonable security as may be demanded by Lessor to insure such payment and prevent any sale or forfeiture of the Cars or any thereof by reason of such nonpayment, and provided further that Lessor would not be in any substantial danger of civil or any danger of criminal liability by reason of such nonpayment.

22. *Events of Default.* If any one or more of the following events (herein sometimes called events of default) shall happen (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Lessee from complying with the terms of this Lease):

(i) default shall be made in the payment when due of Basic Rent or Extended Term Rent; or

(ii) default shall be made in the observance of any other of the covenants, conditions and agreements on the part of Lessee contained herein and such default shall continue for 30 days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied; or

(iii) the estate or interest of Lessee in any of the Cars shall be levied upon or attached in any proceeding and such process is not vacated or discharged within 60 days after such levy or attachment; or

(iv) a decree or order by a court having jurisdiction shall have been entered in a proceeding brought against Lessee

(a) adjudging Lessee a bankrupt or insolvent, or

(b) approving as properly filed a petition seeking reorganization of Lessee under the Bankruptcy Act or any other state or federal law relating to bankruptcy or insolvency, or

(c) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of Lessee or of its property or any substantial portion of its property, or

(d) for the winding up or liquidation of the affairs of Lessee,

and such decree or order shall have remained in force undischarged and unstayed for 30 days (except that no period of time shall be necessary in the case of clause (a) above); or

(v) Lessee shall

(a) institute proceedings to be adjudged a voluntary bankrupt, or

(b) consent to the filing of a bankruptcy proceeding against it, or

(c) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or

(d) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or

(e) make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or

(f) take any corporate action in furtherance of any of the aforesaid purposes;

then, in any such case, Lessor, at its option may

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice to Lessee terminate the term of this Lease, whereupon all right of Lessee to the use of the Cars shall forthwith terminate as though this Lease had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon and take possession of all or any of the Cars and thenceforth hold, possess and enjoy the same free from any rights of Lessee, or its successors or assigns, to use the same for any purposes whatever (including the right to sell the Cars or any thereof upon any terms deemed satisfactory to Lessor); but Lessor shall, nevertheless, have the right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid, including the Basic Rent or Extended Term Rent becoming due after the date of default until the date of termination of the term of this Lease as provided in this subdivision (2), for the use of the Cars and also to recover forthwith from Lessee (i) if the term of this Lease has not expired, as damages for loss of the bargain and not as a penalty, a sum equal to the total of the semi-annual instalments of the Basic Rent or the Extended Term Rent determined as provided in Schedule C hereof discounted in each case from the date on which the same is payable to the date of such termination on the basis of a 4% per annum discount, compounded annually, and (ii) any damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of Basic Rent or Extended Term Rent. Lessee hereby waives, to the full extent permitted by law, any right it may have to require the sale, in mitigation of damages, of the Cars.

Anything to the contrary hereinabove contained notwithstanding, any nonpayment of Basic Rent, Extended Term Rent or additional rent due hereunder, whether during the applicable period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of Lessee to pay also an amount equal to 6% per annum of the overdue Basic Rent, Extended Term Rent or additional rent, as the case may be, for the period of time during which such Basic Rent, Extended Term Rent or additional rent shall be overdue.

The remedies in this Section 22 provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing under this Lease, at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies in this Section 22 provided, to the extent that such waiver is permitted by law. Extension of time for any payment of Basic Rent, Extended Term or additional rent, acceptance of a part thereof or failure of Lessor to enforce promptly any breach of this Lease by Lessee shall not constitute a waiver of any of Lessor's rights under this Section.

23. *Acceptance of Surrender; Redelivery.* No surrender to Lessor of this Lease or of the Cars or any thereof or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by a representative or agent of Lessor, and no act by Lessee, other than such a written agreement and acceptance by Lessor, shall constitute an acceptance of any such surrender. Upon the termination of the term of this Lease with respect to all the Cars by reason of expiration of the stated term hereof, such Cars shall be delivered to Lessor at such place and time as Lessor and Lessee shall agree.

24. *Certain Certificates.* Lessee shall deliver to Lessor on the 1st day of April in each of the years 1969, 1972, 1975, 1978, 1981 and 1984 and at such other times not more often than once in any year as Lessor shall request a certificate of a principal executive or financial officer of Lessee setting forth the fair market value of the Cars as at the preceding 31st day of December. If the fair market value of the Cars as at the date of such certificate, as set forth in any such certificate, shall be less than the unamortized cost of the Cars (as determined in accordance with Schedule D) as at such date, then if Lessor shall request, Lessee shall not less than 20 nor more than 40 days after such request either (i) effect a substitution of Cars pursuant to Section 15 or (ii) purchase one or more Cars pursuant to Section 16(A) or (iii) substitute one or more Cars and purchase one or more Cars, so that immediately upon such substitution or such purchase or such substitution and purchase the fair market value of the Cars will equal or exceed the unamortized cost of the Cars (determined as aforesaid) as at the preceding 31st day of December; provided, that if Lessee shall elect to effect a substitution of Cars pursuant to Section 15, the requirements in such Section that a notice be given to Lessor and that a substitution may be effected only with respect to five or more Cars shall not be applicable and provided, further, that if Lessee shall elect to purchase one or more Cars pursuant to Section 16(A), the requirements in such Section that Lessee deliver a certificate to the effect that further use of such Car or Cars is uneconomic and that such purchase shall occur on the next succeeding Basic Rent Payment Date shall not be applicable.

25. *Supplements.* Lessor and Lessee will execute and deliver on or prior to any date on which additional Cars shall be made subject to this Lease a supplement to this Lease, substantially in the form of Schedule E, appropriately amending this Lease as provided in Article II of the Indenture and ratifying and confirming this Lease.

26. *No Claims Against Lessor.* Nothing contained in this Lease shall constitute any consent or request by Lessor, express or implied, for the performance of any labor or services in respect of the Cars or any thereof, nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services as would permit the making of any claim against Lessor.

27. *Notices, etc.* During the term of this Lease, all notices, demands, requests, approvals, consents, and other similar instruments of whatsoever kind or character to which Lessor may be entitled or which may be required pursuant to this Lease to be given to Lessor shall be made and delivered to Lessor at its address set forth above or at such other address as Lessor shall notify Lessee in writing, and, at the request of Lessor, to any Assignee, as hereinafter defined, at the address set forth in such request. All such notices, demands, requests, approvals and other similar instruments under this Lease shall be in writing, and shall be deemed to have been properly given if sent by United States certified or registered mail, postage prepaid, (i) if to Lessee, addressed to Lessee at its address set forth above, or at such other address as Lessee from time to time may have designated by notice to Lessor, and (ii) if to Lessor, addressed to Lessor at its address set forth above, or at such other address as Lessor may have designated, from time to time, by notice to Lessee.

28. *Waiver, Discharge.* If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

29. *Assignment of Lessor's Interest.* Lessor may, at any time and from time to time, assign to any person, firm, corporation or entity (herein called an Assignee), by way of pledge, or as

security for any indebtedness of Lessor or otherwise, any or all of the rights and interests in whole or in part of Lessor under this Lease, including the right to receive any rental payable hereunder. From and after any such assignment to any Assignee by way of pledge or as security for any indebtedness of Lessor, (i) such Assignee may enforce any and all of the terms of this Lease, to the extent so assigned, as though such Assignee had been a party hereto, (ii) no action or failure to act on the part of Lessor shall adversely affect or limit any rights of such Assignee, (iii) no such assignment shall release Lessor from any of its obligations under this Lease nor constitute an assumption of any such obligations on the part of such Assignee, (iv) no Basic Rent may be prepaid prior to the due date thereof without the prior written consent of such Assignee, (v) no termination, amendment or modification of this Lease and no waiver of any of the terms and provisions hereof shall be valid unless consented to in writing by such Assignee, (vi) all notices, demands, consents, requests, approvals or other instruments given by Lessee hereunder shall also be delivered to such Assignee, and (vii) whenever the term Lessor is used herein, it shall, when appropriate, include such Assignee. Any Assignee may assign his or its rights and interest in this Lease to another assignee, and on and after the date of such assignment the term "Assignee" shall include such assignee.

30. *New York Law.* This Lease shall be governed by and construed in accordance with the law of the State of New York.

31. *Incorporated Schedules.* The following are Schedules A, B, C, D and E referred to in this Lease:

SCHEDULE A TO LEASE CERTAIN DEFINED TERMS

1. Basic Rent Payment Dates shall be:

(a) for the Initial Term—Each March 31 and September 30 occurring during the Initial Term of this Lease to and including March 31, 1965;

(b) for the Basic Term—September 30, 1965 and each March 31 and September 30 occurring thereafter to and including March 31, 1985.

2. EXTENDED TERM RENT PAYMENT DATES shall be each March 31 and September 30 during each Extended Term to and including the final March 31 of such Term.

3. Indenture—means that certain Indenture of Mortgage and Deed of Trust, dated as of July 1, 1964, from First Union Properties, Inc. to Bankers Trust Company as Trustee.

SCHEDULE B TO LEASE

DESCRIPTION OF THE EQUIPMENT

<u>Number of Cars</u>	<u>Interstate Commerce Commission Specification Number</u>	<u>Old Identifying Symbol and Number</u>	<u>New Identifying Symbol and Number</u>	<u>Category for Purposes of Schedule C</u>
2	112-A-400-W	ACSX 930062, 930064	ACSX 930062, 930064	I
135	112-A-400-W	" 932000-932134	" 932000-932134	II
12	103-W	" 67011- 67022	" 67011- 67022	III
10	103-W	" 67023- 67032	" 67023- 67032	IV
2	Hopper Cars(*)	" 650395, 650396	" 650395, 650396	V
1	106 -A-500-100-W	" 68552	" 68552	VI
2	103-W	" 67033, 67034	" 67033, 67034	VII
1	103-W	" 67035	" 67035	VIII
2	111-A-100-W-1	" 83014, 83015	" 83014, 83015	IX
15	103-W	" 818100-818114	" 818100-818114	X
19	112-A-340-W	" 932135-932151, 932154, 932155	" 932135-932151, 932154, 932155	XI

(*) Association of American Railroads' classification; no I. C. C. classification for Hopper Cars.

SCHEDULE C TO LEASE

BASIC RENT AND EXTENDED TERM RENT PAYMENTS AND LESSOR'S CAPITALIZED COSTS

<u>Column 1</u>		<u>Column 2</u>	<u>Column 1</u>		<u>Column 2</u>
Category and Number of Cars		Lessor's Capitalized Cost for each Car in such Category	Category and Number of Cars		Lessor's Capitalized Cost for each Car in such Category
I	2	\$21,064	VII	2	\$12,799
II	135	21,064	VIII	1	10,844
III	12	13,930	IX	2	31,773
IV	10	13,051	X	15	30,815
V	2	12,802	XI	19	23,348
VI	1	7,021			

1. The Basic Rent during the Initial Term of this Lease will be payable at the rate of 4.70% per annum of Lessor's Capitalized Cost for the Cars, computed as to each Car from the date such Car became subject to this Lease to and including March 31, 1965 and shall be payable to the extent accrued on each Basic Rent Payment Date.

2. On each Basic Rent Payment Date during the Basic Term of this Lease the Basic Rent will be 3.88365% of Lessor's Capitalized Cost for the Cars.

3. On September 30, 1985 and on each Extended Term Rent Payment Date thereafter during the first Extended Term of this Lease to and including March 31, 1990 the Extended Term Rent will be 1% of Lessor's Capitalized Cost for the Cars.

4. On September 30, 1990 and on each Extended Term Rent Payment Date thereafter during each succeeding Extended Term to and including March 31, 2000 the Extended Term Rent will be three-quarters of 1% of Lessor's Capitalized Cost for the Cars.

SCHEDULE D TO LEASE

UNAMORTIZED COSTS OF CARS

On any date the unamortized cost of any Car shall be the sum of: (i) the determinable amount determined as provided below in this Schedule D plus (ii) if the date as of which such unamortized cost is calculated shall not be a Basic Rent Payment Date, interest at the rate of 4.70% per annum on such determinable amount for the period beginning on the immediately preceding Basic Rent Payment Date (or if there shall be no such Date, for the period beginning on the date on which such Car became subject to this Lease) and ending on and including the date as of which such unamortized cost is calculated or (iii) if such date of calculation shall be a Basic Rent Payment Date, the amount of Basic Rent payable with respect to such Car on such Date pursuant to this Lease. The determinable amount referred to in this Schedule D shall be:

(a) Prior to April 1, 1965, an amount equal to Lessor's Capitalized Cost of such Car shown on Schedule C hereof;

(b) On and after April 1, 1965 to and including March 31, 1985, an amount which bears the same proportion to the then applicable amount shown on Column 2 below as Lessor's Capitalized Cost for such Car set forth in Schedule C hereof bears to \$10,000.

<u>Column 1</u>	<u>Column 2</u>
For the Semi-Annual Period Beginning on:	
April 1, 1965	\$10,000
October 1, 1965	9,847
April 1, 1966	9,690
October 1, 1966	9,530
April 1, 1967	9,365
October 1, 1967	9,197
April 1, 1968	9,025
October 1, 1968	8,848
April 1, 1969	8,668
October 1, 1969	8,483
April 1, 1970	8,294
October 1, 1970	8,101
April 1, 1971	7,903
October 1, 1971	7,700
April 1, 1972	7,493
October 1, 1972	7,280
April 1, 1973	7,063
October 1, 1973	6,841
April 1, 1974	6,613
October 1, 1974	6,380
April 1, 1975	6,141
October 1, 1975	5,897
April 1, 1976	5,648
October 1, 1976	5,392
April 1, 1977	5,130
October 1, 1977	4,862
April 1, 1978	4,588
October 1, 1978	4,308
April 1, 1979	4,021
October 1, 1979	3,727
April 1, 1980	3,426
October 1, 1980	3,118
April 1, 1981	2,803
October 1, 1981	2,481
April 1, 1982	2,150
October 1, 1982	1,813
April 1, 1983	1,467
October 1, 1983	1,113
April 1, 1984	751
October 1, 1984	380

X = $\frac{\text{Lessor's Capitalized Cost}}{\$10,000}$

SCHEDULE E TO LEASE

Supplement No., dated as of, 196..., to that certain Railroad Equipment Lease and Agreement dated as of July 1, 1964, between First Union Properties, Inc. as Lessor and Allied Chemical Corporation as Lessee for an Initial Term and a Basic Term extending to and including March 31, 1985 (such Lease and Agreement, as herein supplemented, being hereinafter termed the Lease).

WHEREAS, Lessor and Lessee executed and delivered the Lease on, 196..., which Lease covers railroad cars of the type described in Schedule B thereof; and

WHEREAS, Section 25 of the Lease provides for the execution and delivery of supplements thereto whenever additional railroad cars are made subject to the Lease and Lessor and Lessee wish to make the cars of the types described in Schedule A hereof subject to the Lease;

Now, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which said considerations are hereby acknowledged and confessed by each party, it is hereby mutually agreed by and between Lessor and Lessee that the Lease shall be and the same hereby is supplemented, in the following particulars:

1. The railroad cars of the types and bearing the identifying symbol and car numbers set forth in Schedule A hereof are hereby made subject to the Lease and shall be Cars for all purposes of the Lease. Lessee hereby acknowledges delivery of the Cars and acknowledges that the Cars are in the possession of Lessee and subject to all the terms and conditions of the Lease. Lessee further acknowledges that each Car made subject to the Lease by this Supplement No. complies with the Rules of Interchange of the Association of American Railroads and with all governmental laws, rules, regulations and requirements relating to the construction and equipment of railroad cars of the same character as the Car and is in good order and ready for service.

2. Lessor's Capitalized Cost set forth in Schedule C to the Lease is hereby increased by the amount of \$....., which is the cost to Lessor of acquiring the Cars described in Schedule A hereof. Column 1 of said Schedule C is amended by increasing the number of Cars in Category to and Column 2 of said Schedule C is amended in the following manner:

3. The Basic Rent and Extended Term Rent of the Cars shall be calculated and paid on the basis of Lessor's Capitalized Cost as increased as provided in Section 2 hereof.

This Supplement is expressly made supplemental to and a part of the Lease. Lessor and Lessee agree that all the agreements, covenants, conditions and provisions contained in the Lease shall be applicable to the Cars made subject thereto by this Supplement and except as hereinabove expressly supplemented, the Lease shall be and remain unaltered and in full force and effect. Lessor and Lessee hereby confirm and ratify the Lease as supplemented hereby.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, all as of the day and year first above written.

FIRST UNION PROPERTIES, INC.

By

Attest:

Vice President

.....

Secretary

ALLIED CHEMICAL CORPORATION

By

Attest:

Vice President

.....

Assistant Secretary

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Lease by their respective officers thereunto duly authorized as of the day and year first above written.

FIRST UNION PROPERTIES, INC.

By

LESSOR

Wife President

Attest :

Assistant Secretary

ALLIED CHEMICAL CORPORATION

By

LESSEE

Vice President

Attest :

Assistant Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this . . . day of August, 1964, before me . . . *ALFRED J. BAKER*, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared JOHN L. HIGGINS and . . . , to me personally well known and well known to me to be a Vice President and an Assistant Secretary, respectively, of FIRST UNION PROPERTIES, INC., a corporation of the State of New York, one of the corporations named in and executing as Trustee the within instrument bearing the date as of July 1, 1964, which instrument was produced to me in the County and State aforesaid, by the said JOHN L. HIGGINS and . . . , who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and its Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at 159 East 49th Street, New York, New York and . . . , respectively; that they are a Vice President and an Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by authority of its Board of Directors and that they signed their names as such officers thereto by like authority; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

ALFRED J. BAKER
Notary Public, State of New York
No. 24-5150550
Qualified in Kings County
Cert. filed with New York County Clerk
Commission Expires 11/12/66

ALFRED J. BAKER
Notary Public in and for the County
and State of New York

(SEAL)

My commission expires

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 21st day of August, 1964, before me *[Signature]*, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared *[Signature]* and *[Signature]*, to me personally well known and well known to me to be a Vice President and an Assistant Secretary, respectively, of ALLIED CHEMICAL CORPORATION, a corporation of the State of New York, one of the corporations named in and executing the within instrument bearing the date as of July 1, 1964, which instrument was produced to me in the County and State aforesaid, by the said *[Signature]* and *[Signature]*, who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and its Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at *[Address]* and *[Address]*, respectively; that they are a Vice President and an Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by order and authority of its Board of Directors and that they signed their names as such officers thereto by like order; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

[Signature]
NOTARY PUBLIC in and for the County of New York
Qualified in Kings County
Commission Expires March 30, 1965

[Signature]
Notary Public in and for the County
of New York and State of New York

My commission expires

(SEAL)

LEASE SUPPLEMENT

Supplement No. 1, dated as of December 15, 1964, to that certain Railroad Equipment Lease and Agreement dated as of July 1, 1964, between First Union Properties, Inc. as Lessor and Allied Chemical Corporation as Lessee for an Initial Term and a Basic Term extending to and including March 31, 1985 (such Lease and Agreement, as herein supplemented, being hereinafter termed the Lease.)

WHEREAS, Lessor and Lessee executed and delivered the Lease on August 25, 1964, which Lease covers 201 railroad cars of the type described in Schedule B thereof; and

WHEREAS, Section 25 of the Lease provides for the execution and delivery of supplements thereto whenever additional railroad cars are made subject to the Lease and Lessor and Lessee wish to make the 140 cars of the types described in Schedule A hereof subject to the Lease;

NOW, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which said considerations are hereby acknowledged and confessed by each party, it is hereby mutually agreed by and between Lessor and Lessee that the Lease shall be and the same hereby is supplemented, in the following particulars:

1. The 140 railroad cars of the types and bearing the identifying symbol and car numbers set forth in Schedule A hereof are hereby made subject to the Lease and shall be Cars for all purposes of the Lease. Lessee hereby acknowledges delivery of the Cars and acknowledges that the Cars are in the possession of Lessee and subject to all the terms and conditions of the Lease. Lessee further acknowledges that each Car made subject to the Lease by this Supplement No. 1 complies with the Rules of Interchange of the Association of American Railroads and with all governmental laws, rules, regulations and requirements relating to the construction and equipment of railroad cars of the same character as the Car and is in good order and ready for service.

2. Lessor's Capitalized Cost set forth in Schedule C to the Lease is hereby increased by the amount of \$3,059,686, which is the cost to Lessor of acquiring the Cars described in Schedule A hereof. Columns 1 and 2 of said Schedule C are hereby amended by adding the following after category XI thereof:

Column 1		Column 2
Category and Number of Cars		Lessor's Capitalized Cost for each Car in such Category
XII	30	\$16,038
XIII	1	36,650
XIV	31	23,348
XV	1	34,500
XVI	75	23,308
XVII	2	17,775

3. The Basic Rent and Extended Term Rent of the Cars shall be calculated and paid on the basis of Lessor's Capitalized Cost as increased as provided in Section 2 hereof.

This Supplement is expressly made supplemental to and a part of the Lease. Lessor and Lessee agree that all the agreements, covenants, conditions and provisions contained in the Lease shall be applicable to the Cars made subject thereto by this Supplement and except as hereinabove expressly supplemented, the Lease shall be and remain unaltered and in full force and effect. Lessor and Lessee hereby confirm and ratify the Lease as supplemented hereby.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, all as of the day and year first above written.

Attest:

.....
Secretary

FIRST UNION PROPERTIES, INC.

By

Charles W. O'Connell
Vice President

ALLIED CHEMICAL CORPORATION

Attest:

Robert H. Sullivan
Assistant Secretary

By

.....
Vice President

SCHEDULE A

DESCRIPTION OF THE EQUIPMENT

<u>Number of Cars</u>	<u>Interstate Commerce Commission Specification Number</u>	<u>Identifying Symbol and Number</u>	<u>Category for Purposes of Schedule C to the Lease</u>
30	103-W	ACSX 610200-610229	XII
1	111-A-100-W-1	" 310100	XIII
31	112-A-340-W	" 932152, 932153; 932156-932184	XIV
1	111-A-100-W-1	" 38100	XV
75	112-A-340-W	" 933000-933074	XVI
2	111-A-100-W-1	" 820000, 820001	XVII

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 29th day of December, 1964, before me, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared CHARLES W. COSSEY and TED M. SIOURIS, to me personally well known and well known to me to be a Vice President and an Assistant Secretary, respectively, of FIRST UNION PROPERTIES, INC., a corporation of the State of New York, one of the corporations named in and executing as Trustee the within instrument bearing the date as of December 15, 1964, which instrument was produced to me in the County and State aforesaid, by the said CHARLES W. COSSEY and TED M. SIOURIS, who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and its Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at 59 E. 78th Street, New York, New York 10021, and 115 E. 78th Street, New York, New York 10021, respectively; that they are a Vice President and an Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by authority of its Board of Directors and that they signed their names as such officers thereto by like authority; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

.....
*Notary Public in and for the County
and State of New York*

My commission expires (SEAL)

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 29th day of December, 1964, before me Frances G. Campbell, a Notary Public in and for the said County and State, duly commissioned and sworn, personally appeared James L. Hadden and Robert C. Wilson, to me personally well known and well known to me to be a Vice President and an Assistant Secretary, respectively, of ALLIED CHEMICAL CORPORATION, a corporation of the State of New York, one of the corporations named in and executing the within instrument bearing the date as of December 15, 1964, which instrument was produced to me in the County and State aforesaid, by the said James L. Hadden and Robert C. Wilson, who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Vice President and its Assistant Secretary, respectively, who, by me being duly sworn, did severally depose, say and acknowledge, on their several oaths, in my County and State aforesaid, that they reside at and, respectively; that they are a Vice President and an Assistant Secretary of said corporation and that said corporation executed the said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corporation; that they, being informed of the contents of the said instrument, signed and sealed said instrument as such officers and that they executed the same in the name and on behalf of said corporation by order and authority of its Board of Directors and that they signed their names as such officers thereto by like order; that their signatures are in their own proper handwriting; that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed and that they delivered the same as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

Frances G. Campbell
Notary Public in and for the County
of New York and State of New York

My commission expires

(SEAL)

LEASE OF RAILROAD EQUIPMENT

THIS LEASE, dated as of October 2, 1962, between FIRST UNION PROPERTIES, INC., a Delaware corporation having an address in care of THE PRENTICE-HALL CORPORATION SYSTEM, INC., 229 South State Street, Dover, Delaware (herein called Lessor), and ALLIED CHEMICAL CORPORATION, a New York corporation, with an office and post-office address at 61 Broadway, New York, New York (herein called Lessee).

Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents hereby lease to Lessee the railroad cars listed and described in Schedule A, attached hereto and made a part hereof, (hereinafter collectively called the Cars).

1. *Title.* Title to the Cars shall at all times remain in Lessor and at no time shall title become vested in Lessee, except as otherwise expressly provided in this Lease. This is a contract of lease only, and Lessee shall acquire no right, title or interest in or to the Cars, other than the right to use the same under the terms and conditions hereof.

2. *Delivery.* Lessee acknowledges delivery of the Cars to it as Lessee and its acceptance and possession hereunder. Lessee has examined and is familiar with Lessor's title to the Cars and has found the same to be satisfactory for all purposes hereunder. Lessor makes no warranty or representation whatsoever, express or implied, in respect of the Cars, either as to their fitness for use, design or condition, as to quality of the material or workmanship therein, or as to Lessor's title thereto or otherwise, it being agreed that all such risks are to be borne by Lessee. Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf and for the account of Lessee to make and enforce, from time to time, at Lessee's sole cost and expense, whatever claim or claims Lessor may have against the seller or the manufacturer of the Cars under any warranty, express or implied, in respect thereof.

3. *Term.* (A) *Initial and Basic Term.* Subject to the terms and provisions herein contained, this Lease shall be and remain in full force and effect for an initial term commencing on October 9, 1962 and ending at midnight on January 31, 1964 (herein called the Initial Term) and for a basic term commencing on February 1, 1964 and ending at midnight on January 31, 1984 (herein called the Basic Term).

(B) *Extension of Term.* Lessor hereby grants to Lessee the right to extend the term of this Lease beyond the Basic Term for three successive periods of five years each (any such period being herein called an Extended Term), upon all of the terms and conditions set forth in this Lease, except that during any Extended Term, the Extended Term Rent (as defined in Section 4) shall be as set forth in Section 4 and except that the number of Extended Terms permitted hereunder shall be reduced by one upon each such extension so that the entire term of this Lease as so extended shall in no event extend beyond January 31, 1999. If Lessee shall fail to deliver to Lessor not less than 90 nor more than 180 days prior to the expiration of the term then in force a written notice of its intention not to exercise its right to extend the term hereof, the term of this Lease shall, without further action by Lessor or Lessee, be extended for the next succeeding Extended Term. Lessor reserves to itself, in addition to the other rights and remedies herein expressed or which are or may hereafter be conferred upon Lessor by law, the right to terminate this Lease and the leasehold estate hereby granted, in case of default on the part of Lessee in the performance of any of the terms, covenants, agreements and conditions which shall constitute an event of default as defined in Section 22.

4. *Rent.* (A) *Basic Rent and Extended Term Rent.* Lessee shall pay to Lessor, without notice or demand, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the office of Bankers Trust Company, 16 Wall Street, New York, N. Y., Attention Corporate Trust Division or at such place or to such agent as Lessor from time to time may designate, the net basic rental (herein called the Basic Rent during the Initial and Basic Term and Extended Term Rent during any Extended Term). The Basic Rent shall be in the amounts determined as provided in Schedule C and shall be payable by Lessee on the Basic Rent Payment Dates set forth in item 1 of Schedule A. The Extended Term Rent shall be in the amounts determined as provided in Schedule C and shall be payable by Lessee on the Extended Term Rent Payment Dates set forth in item 2 of Schedule A.

(B) *Additional Rent.* Lessee will also pay, as additional rent, all other amounts, liabilities and obligations which Lessee herein assumes or agrees to pay, except that amounts payable as the purchase price for any or all of the Cars pursuant to any provision of this Lease and the amounts payable as liquidated damages referred to in Section 22 hereof shall not constitute additional rent. In the event of any failure on the part of Lessee to pay any of the same, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of the Basic Rent and Extended Term Rent. Lessee will also pay Lessor, on demand, as additional rent, interest at the rate of 6% per annum on all overdue instalments of Basic Rent and Extended Term Rent from the due date thereof until payment.

(C) *No Set-Off.* Lessee shall pay Basic Rent, Extended Term Rent and additional rent without notice, demand, set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or reduction and, except as otherwise expressly provided in this Lease, Lessee shall have no right to terminate this Lease or to be released, relieved or discharged from any obligations or liabilities hereunder for any reason whatsoever, including, without limitation: (i) any damage to, destruction, theft or loss of the Cars; (ii) any limitation, restriction, deprivation or prevention of, or any interference with, any use of the Cars; (iii) any confiscation, requisition or taking of the Cars by any governmental authority; (iv) any action, omission or breach on the part of Lessor or any Assignee under this Lease or under any other agreement at the time existing between Lessor and Lessee or such Assignee and Lessee; (v) the breach of any warranty of the seller or the manufacturer of the Cars; (vi) any claim as a result of any other business dealings of Lessor or Lessee; or (vii) any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding up or similar proceeding involving or affecting Lessor or any Assignee, or any action with respect to this Lease which may be taken by any trustee or receiver of Lessor or of any Assignee or by any court in any such proceeding; and Lessee hereby covenants and agrees that it will remain obligated under this Lease in accordance with its terms, and that it will not take any action to terminate the term of this Lease (except as expressly provided herein), terminate this Lease, rescind or avoid this Lease, notwithstanding any of the foregoing. All payments by Lessee hereunder shall be final, and Lessee will not seek to recover any such payment or any part thereof for any reason whatsoever. Lessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate or surrender this Lease, or (ii) to any abatement, suspension, deferment, diminution or reduction of Basic Rent, Extended Term Rent or additional rent, on account of any such occurrence.

5. *Mileage Allowances.* Lessee shall receive, in so far as applicable law and regulations allow, all mileage allowances, rentals and/or other compensation payable by carriers by reason of the use of the Cars (hereinafter called "Mileage"), and it is understood and agreed that if for any reason Lessor receives any Mileage, then (unless an event of default specified in Section 22 shall have occurred and be continuing) Lessor shall remit such Mileage to Lessee

promptly after Lessee shall have furnished or caused to be furnished to Lessor an opinion, ruling or other evidence, satisfactory to Lessor, that the remittance thereof to Lessee will not violate any applicable law or regulation.

6. *Identifying Legend.* Lessee shall cause to be plainly, distinctly, permanently and conspicuously stencilled upon each side of each Car the following words in letters not less than one inch in height:

"FIRST UNION PROPERTIES, INC., AS OWNER, LESSOR

BANKERS TRUST COMPANY, AS TRUSTEE, MORTGAGEE AND ASSIGNEE".

If during the continuance of this Lease any of such words shall at any time be defaced or destroyed on any Car, Lessee shall immediately cause such defaced or destroyed words to be restored or replaced. Lessee shall not allow the name of any person, firm, corporation or entity to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, firm, corporation or entity other than Lessor; but Lessee may letter the Cars with the names or initials or other insignia now or hereafter customarily used by Lessee on its railroad cars of the same or a similar type.

7. *Numbering.* Lessee will (unless the same shall have been done prior to the date of commencement of this Lease) cause the identifying symbol ACLX to be placed on, and will cause one of Lessee's car numbers to be assigned to and placed on, each side of each such Car, such car numbers to be as set forth in Schedule B hereof, and at all times thereafter Lessee will cause each Car subject to this Lease to bear on each side thereof such identifying symbol and the car number so assigned to it.

Lessee shall, not later than April 1, 1963, cause the identifying symbol and car number required by this Section 7 and the identifying legend required by Section 6 to be placed upon at least 60% in number of the Cars made subject to this Lease at the date of commencement hereof and will cause all such Cars to be so identified not later than October 1, 1963. Lessee will furnish to Lessor (i) not later than April 1, 1963 a certificate to the effect that it has complied with the provisions of the preceding sentence required to be done prior to such time and (ii) not later than October 1, 1963 a certificate to the effect that it has completed the placing upon all Cars made subject to this Lease at the date of commencement hereof of all legends, symbols and numbers required by Section 6 and this Section 7.

8. *Taxes and Other Charges.* (A) Lessee shall duly pay to the governmental or other authority assessing, levying or imposing the same, as additional rent, before they become delinquent, all taxes, assessments and other governmental charges levied or assessed upon the Cars or the interest of Lessee thereunder or in respect thereof, the use or operation thereof or the earnings arising from the use or operation thereof, and all sales and use taxes which may be levied or assessed against Lessor or Lessee on account of the acquisition or leasing of the Cars, and shall promptly pay or reimburse Lessor for all taxes, assessments and other governmental charges levied or assessed against Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof or the earnings arising therefrom, including any taxes on the Basic Rent or additional rent, exclusive, however, of taxes on Lessor's income or on Mileage retained by Lessor (except any such tax on Lessor's income which is in substitution for, or relieves Lessee from the payment of, taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided, and except as otherwise provided in Section 12). In the event any tax reports are required to be made on the basis of individual Cars, Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

promptly after Lessee shall have furnished or caused to be furnished to Lessor an opinion, ruling or other evidence, satisfactory to Lessor, that the remittance thereof to Lessee will not violate any applicable law or regulation.

6. *Identifying Legend.* Lessee shall cause to be plainly, distinctly, permanently and conspicuously stencilled upon each side of each Car the following words in letters not less than one inch in height:

"FIRST UNION PROPERTIES, INC., AS OWNER, LESSOR

BANKERS TRUST COMPANY, AS TRUSTEE, MORTGAGEE AND ASSIGNEE".

If during the continuance of this Lease any of such words shall at any time be defaced or destroyed on any Car, Lessee shall immediately cause such defaced or destroyed words to be restored or replaced. Lessee shall not allow the name of any person, firm, corporation or entity to be placed on any of the Cars as a designation which might be interpreted as indicating a claim of ownership thereof by any person, firm, corporation or entity other than Lessor; but Lessee may letter the Cars with the names or initials or other insignia now or hereafter customarily used by Lessee on its railroad cars of the same or a similar type.

7. *Numbering.* Lessee will (unless the same shall have been done prior to the date of commencement of this Lease) cause the identifying symbol ACLX to be placed on, and will cause one of Lessee's car numbers to be assigned to and placed on, each side of each such Car, such car numbers to be as set forth in Schedule B hereof, and at all times thereafter Lessee will cause each Car subject to this Lease to bear on each side thereof such identifying symbol and the car number so assigned to it.

Lessee shall, not later than April 1, 1963, cause the identifying symbol and car number required by this Section 7 and the identifying legend required by Section 6 to be placed upon at least 60% in number of the Cars made subject to this Lease at the date of commencement hereof and will cause all such Cars to be so identified not later than October 1, 1963. Lessee will furnish to Lessor (i) not later than April 1, 1963 a certificate to the effect that it has complied with the provisions of the preceding sentence required to be done prior to such time and (ii) not later than October 1, 1963 a certificate to the effect that it has completed the placing upon all Cars made subject to this Lease at the date of commencement hereof of all legends, symbols and numbers required by Section 6 and this Section 7.

8. *Taxes and Other Charges.* (A) Lessee shall duly pay to the governmental or other authority assessing, levying or imposing the same, as additional rent, before they become delinquent, all taxes, assessments and other governmental charges levied or assessed upon the Cars or the interest of Lessee thereunder or in respect thereof, the use or operation thereof or the earnings arising from the use or operation thereof, and all sales and use taxes which may be levied or assessed against Lessor or Lessee on account of the acquisition or leasing of the Cars, and shall promptly pay or reimburse Lessor for all taxes, assessments and other governmental charges levied or assessed against Lessor on account of its ownership of the Cars or any thereof or in respect of the use or operation thereof or the earnings arising therefrom, including any taxes on the Basic Rent or additional rent, exclusive, however, of taxes on Lessor's income or on Mileage retained by Lessor (except any such tax on Lessor's income which is in substitution for, or relieves Lessee from the payment of, taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided, and except as otherwise provided in Section 12). In the event any tax reports are required to be made on the basis of individual Cars, Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

(B) Lessee covenants to furnish to Lessor, within 60 days after demand by Lessor, proof of the payment of any tax, assessment, or other governmental or similar charge in respect of the Cars which is payable by Lessee as in this Section provided.

9. *Reports and Inspection.* Lessee will furnish to Lessor on or before the 1st day of April, 1963, and annually thereafter, and at such other times as Lessor shall reasonably request, during the continuance of this Lease, a certificate signed by the President or any Vice President of Lessee, stating

(i) as of the preceding 31st day of December, (a) the car numbers of all Cars then subject to this Lease, (b) the car numbers of all Cars that have become lost, destroyed or damaged beyond repair or the title or use of which has been confiscated, requisitioned or taken during the period elapsed since the end of the period covered by the last previous such certificate (or since the date of delivery hereof in the case of the first such report), (c) the car numbers of all serviceable Cars, (d) the car numbers of all Cars awaiting repairs and (e) the car numbers of all Cars in the shops for repairs, and

(ii) that, in the case of all Cars repainted or repaired during such period, the stencilled identification legend required to be placed thereon by Section 6 have been replaced or preserved on such Cars or that such Cars have been again stencilled as required by Section 6 and that the identifying symbol and the appropriate car number have been replaced or preserved on each side of each such Car in accordance with Section 7.

Lessor shall have the right, by its authorized representatives, to inspect the Cars, at the sole but reasonable cost and expense of Lessee, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of this Lease.

10. *Recording.* Lessee will promptly cause this Lease and each supplement hereto to be filed with the Interstate Commerce Commission and to be filed, registered or recorded wherever else required (and thereafter will cause it to be filed, registered or recorded and refiled, reregistered or rerecorded whenever and wherever required) in each place in the United States of America or elsewhere for the proper protection, to the satisfaction of Lessor, of Lessor's title to the Cars; and Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register or record (and will refile, reregister or rerecord whenever required) any and all further instruments, required by law or reasonably requested by Lessor, for the purpose of such protection of its title, or for the purpose of carrying out the intention of this Lease. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register or record (and will refile, reregister and rerecord whenever required) all other instruments (including but not limited to manufacturer's certificates of construction and interchange agreements) in such manner and in such places as shall be required by any present or future law, rule or regulation. Lessor hereby appoints Lessee its agent and attorney-in-fact for and in its name and behalf to execute, acknowledge, deliver, file, register or record (and refile, reregister and rerecord) any and all instruments that Lessor may be required by law to file, register and record and Lessee agrees so to do. Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of this Lease and incident to the preparation, execution, filing, refiling, registering, reregistering, recording and rerecording of any such further instrument or incident to the taking of any such other action.

11. *Indemnification.* Lessee agrees to pay, and to protect, indemnify and save harmless Lessor from and against: (i) any and all liabilities, damages, expenses (including, without limitation, attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever arising from injury to persons or property growing out of or connected with

the ownership or use of the Cars or resulting from the condition thereof, and (ii) any liability for violation of any agreement or condition of this Lease to be performed by Lessee or of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Cars or the ownership or use thereof.

12. *Liens, Encumbrances and Charges; Certain Rights Upon Discharge.* (A) Subject to Sections 20 and 21 (B) Lessee will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance and charge upon the Cars or any thereof or upon Lessee's leasehold interest therein, and Lessee agrees to protect and defend the title of Lessor to the Cars from any such liens, encumbrances and charges; provided that Lessee will not be required to discharge any lien, encumbrance or charge created by Lessor or resulting from actions of Lessor, unless it is necessary for Lessee to discharge such lien, encumbrance or charge in order to comply with paragraph (B) of this Section.

(B) Any other provision of this Lease notwithstanding, if for any reason whatsoever, (i) the Basic Rent or any additional rent, including without limitation any sums payable under this Section 12(B) (all such rents and sums being hereinafter in this Section 12(B) collectively called the rentals), payable during the term of this Lease shall be diminished or subject to any diminution through attachment, claim, demand, charge, lien, levy, order, process, encumbrance or for any other reason, similar or dissimilar to the foregoing by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, foreseen or unforeseen, incurred by or against any person, firm, corporation or entity whomsoever, or by reason of any claims, demands, charges or liens of any nature, foreseen or unforeseen, incurred by any person or against the rentals, so that the rentals would thereby be rendered inadequate or would be unavailable to meet the periodic instalments of principal of and interest on any obligations or indebtedness secured by any assignment of this Lease, or (ii) the payment in full of the rentals when the same are due and payable under this Lease shall be delayed, hindered or prevented, or in any way adversely affected, or (iii) the use or application of the rentals by any assignee thereof for its own purposes shall be hindered, delayed or prevented or the right of such assignee so to use or apply the same shall in any way be adversely affected, or (iv) such assignee refuses so to apply the rentals because of a threatened or pending suit in any court as a result of which such assignee in good faith considers it may have personal liability if it does so apply them, or (v) the holders of any obligations or indebtedness secured by any assignment of this Lease shall be subject to any liability or obligation to refund or pay over the rentals, then, in any such event, Lessee will promptly pay as additional rent, and take any action and incur any additional expense that may be necessary to the proper application of, sums of money sufficient to (i) pay fully and discharge such taxes, assessments, expenses, indebtedness, obligations and liabilities and to eliminate or nullify the cause of such attachment, withholding, claim, demand, charge, lien, levy, order, process and encumbrance, (ii) eliminate or prevent any delay, hindrance or obstacle, in the payment in full of the rentals when the same are due and payable under this Lease and in the use or application thereof by such assignee for its purposes, and (iii) protect fully the right of such assignee to use or apply the rentals for its purposes, and will indemnify such assignee against any personal liability which may arise from applying the rentals and the holders of any obligations or indebtedness secured by any assignment of this Lease against any liability or obligation to repay, or any loss in repaying, any moneys received from such assignee. It is the intention of the parties hereto that the Basic Rent shall be received and enjoyed by Lessor or such assignee thereof as an absolutely net sum, and that Lessee shall pay all charges which diminish said sum or render the same inadequate as aforesaid, so that the Basic Rent shall be available for application to the payment of any obligations or indebtedness secured by an assignment of this Lease, without diminution for any reason.

(C) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have a claim against Lessor to be reimbursed for such sum with interest thereon at 6% per annum from the date of such payment, provided that such claim shall not be enforceable under any circumstances during the Initial Term or the Basic Term of this Lease, but shall be enforceable, provided that Lessee shall not be in default under this Lease, during any Extended Term of this Lease and may be set off against, but only against, either (i) any Extended Term Rent payable by Lessee under this Lease during any Extended Term hereof or (ii) the purchase price payable by Lessee under this Lease upon any purchase of the Cars or any of them pursuant to an offer which shall be made or an option which shall be exercised during any Extended Term of this Lease.

(D) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee may notify Lessor of Lessee's intention to terminate this Lease on any business day specified in such notice which occurs not less than 60 nor more than 180 days after the making of such payment, provided that as part of such notice of termination Lessee shall give its irrevocable undertaking to purchase the Cars on such date of termination at a price determined in accordance with Schedule D hereof as of such date of termination. Such price shall be payable as an absolutely net sum, without diminution for any reason, it being the intention of the parties hereto that such price shall be adequate to discharge in full any notes secured by any assignment of this Lease at the unamortized cost of the Cars (such unamortized cost of the Cars to be determined as provided in Schedule D) on such date of termination, and if such purchase price should be diminished or subject to diminution in any way for any reason, the provisions of Section 12(B) shall be applicable and Lessee shall pay any additional sum required to effectuate such intention. Lessee shall deliver such notice and undertaking to Lessor at least 30 days prior to the proposed date of termination. On such date of termination, Lessor shall transfer and convey the Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18, and Lessee shall pay to Lessor in cash the purchase price therefor.

(E) If Lessee shall pay any sum pursuant to Section 12(B), and if such payment would not have been required to be made by Lessee pursuant to any provision of this Lease other than Section 12(B), Lessee shall have an option, as hereinafter provided, to purchase from the owners thereof, on any date occurring during the Basic Term of this Lease and within 180 days after the making of such payment, any notes secured by any assignment of this Lease at the unamortized cost of the Cars (such unamortized cost of the Cars determined as provided in Schedule D) on the date of purchase of such notes at a price equal to the then unpaid principal balance of such notes and interest accrued and unpaid thereon. Lessor agrees that any mortgage pursuant to which such notes are issued shall contain a provision giving Lessee such option to purchase notes upon at least 30 days prior written notice to Lessor and in such form as shall be satisfactory to Lessee. In the event that Lessee shall have so purchased such notes, Lessee shall then and thereafter, so long as this Lease shall remain in effect, have an option to purchase the Cars for one dollar. Lessor shall have no obligation to cause the owners of such notes to sell the same to Lessee except to cause such provision to be included in such mortgage.

13. *Maintenance; Compliance with Laws and Rules.* Lessee agrees to maintain and keep the Cars in good mechanical condition, repair and order, ordinary wear and tear excepted, at its own cost and expense. Lessor shall not be required to make any repairs or replacements of any nature or description with respect to the Cars or to make any expenditure whatsoever in connection with this Lease or to maintain the Cars.

Lessee agrees to comply with all governmental laws, regulations and requirements, and with the Rules of Interchange of the Association of American Railroads (or of any successor thereto),

with respect to the use, maintenance and operation of each Car; in case any equipment or appliance on any Car shall be required to be changed or replaced, or in case any additional or other equipment or appliance is required to be installed on any Car in order to comply with such laws, regulations, requirements and Rules, Lessee agrees to make such changes, additions and replacements; and Lessee agrees to maintain each Car in full compliance with such laws, regulations, requirements and Rules so long as it is subject to this Lease.

Any parts installed or replacements made upon the Cars by Lessee shall be considered accessions to the Cars and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor.

✓ 14. *Payment for Lost, Destroyed or Damaged Cars and for Cars Confiscated, Requisitioned or Taken.* (A) If any Car shall become lost, destroyed or damaged beyond repair or if any governmental authority shall confiscate, requisition or take the title to any Car, then, on the Basic Rent Payment Date or Extended Term Rent Payment Date next succeeding the day on which such loss, destruction, damage, confiscation, requisition or taking shall occur, Lessee shall pay to the Lessor, as damages in lieu of any further claim of Lessor to or on account of such Car, an amount in cash equal to the unamortized cost of such Car as determined in accordance with Schedule D.

(B) Whenever any such cash payment is made to Lessor under this Section with respect to any Car, (i) the Basic Rent or Extended Term Rent payable with respect to such Car on each Basic Rent Payment Date or Extended Term Rent Payment Date occurring after the Basic Rent Payment Date or Extended Term Rent Payment Date on which such payment of damages by Lessee shall occur shall be abated with respect to such Car, (ii) such Car shall thereafter no longer be deemed to be one of the Cars subject to this Lease, (iii) if such payment of damages shall be made by reason of loss, damage or destruction, Lessee shall be entitled to the proceeds of any settlement made by any insurance company, railroad company or other person, firm, corporation or entity in connection with such loss, destruction or damage beyond repair, whether such settlement is made with Lessor or Lessee, except that if Lessor shall take out and pay for any policy of insurance on such Car, then Lessor shall be entitled to the entire proceeds of any settlement made under such policy in connection with such loss, destruction or damage beyond repair, and (iv) if such payment of damages shall be made by reason of any confiscation, requisition or taking, Lessee shall be entitled to any award or compensation allowed or paid. Lessor hereby irrevocably authorizes and empowers Lessee, in the name of Lessor or otherwise, to negotiate, accept, reject, file and prosecute any claim, including what would otherwise be Lessor's claim, for any award or compensation on account of any confiscation, requisition or taking referred to in this Section and to collect and receipt for the same. Lessee shall bear the risk of and, except as hereinabove in this Section provided, shall not be released from its obligations hereunder in the event of, any loss, destruction, damage, confiscation, requisition or taking of any of the Cars for any cause whatsoever after the acceptance of delivery thereof hereunder by the Lessee. Lessee shall bear all costs and expenses incurred in connection with the obtaining of any settlement or the obtaining of any award.

(C) Lessee shall notify Lessor of the loss, destruction, irreparable damage, confiscation, requisition or taking of any Car promptly after the same shall occur.

✓ 15. *Substitution of Cars.* Provided that Lessee shall not be in default under this Lease, and subject to any applicable provisions of the Indenture, Lessee at any time and from time to time upon 30 days' prior notice to Lessor may substitute for any five or more Cars (in this Section termed Replaced Cars) other railroad cars manufactured within 9 months of the date of any

such substitution (in this Section termed Substituted Cars), provided that upon each substitution of cars,

(i) each Substituted Car shall have an estimated remaining useful life not less than the greatest estimated remaining useful life of the Replaced Cars for which it shall have been substituted, as evidenced by a certificate of a principal executive or financial officer of Lessee, dated not earlier than 10 days prior to the date of such substitution,

(ii) the aggregate fair market value of the Substituted Cars, as certified by such officer, shall be not less than the greater of (a) the aggregate fair market value of the Replaced Cars, certified in like manner, which certificate shall state the fair market value of each Substituted Car or (b) the aggregate of the purchase prices payable by the Lessee for the Replaced Cars in the event of its purchase of such Replaced Cars pursuant to Section 16(A),

(iii) Neither the aggregate of the Basic Rent payable hereunder by Lessee nor the aggregate of the purchase prices payable by Lessee upon its purchase of any Car pursuant to any provision of this Lease shall be changed by reason of any substitution of cars, and the amounts of Basic Rent and unamortized cost (as determined in accordance with Schedule D hereof) attributable to the Replaced Cars shall be allocated to the Substituted Cars in the same proportion as the fair market value of each Substituted Car, as certified as aforesaid, shall bear to the fair market value of all Substituted Cars,

(iv) Lessee shall deliver to Lessor a bill of sale for the Substituted Cars warranting that Lessee has title thereto free and clear of all liens and encumbrances,

(v) Lessee shall deliver to Lessor an opinion of Lessee's General Counsel to the effect that Lessee lawfully owns the Substituted Cars and has good and valid title thereto, free of all liens and encumbrances and as to the matters specified in Section 19,

(vi) Lessee shall deliver to Lessor a certificate, dated not earlier than 10 days prior to the date of such substitution and signed by a principal executive or financial officer of Lessee, setting forth the date of manufacture of each Substituted Car, the original cost thereof, the unamortized cost of each Replaced Car as determined as provided in Schedule D and stating that the Lessee intends to use the Substituted Cars in its business, and that the appropriate identifying legend, symbol and number have been placed on each Substituted Car as provided in Section 6 and Section 7,

(vii) Lessee shall deliver to Lessor on the date of substitution a certificate, dated such date, and signed by a principal executive or financial officer of Lessee, to the effect that (a) the substitution has been duly authorized by Lessee, (b) Lessor has no unsatisfied obligations to Lessee, that no offset exists with respect to the Basic Rent (or Extended Term Rent if an Extended Term then be in effect) or other sums payable by Lessee hereunder and no default on the part of Allied exists thereunder and (c) the Substituted Cars comply with all applicable laws, ordinances, rules and regulations and may be used for the purposes contemplated by the Lessee,

(viii) the Lessee shall pay all taxes, including all sales and use taxes (except taxes measured by income) and expenses incurred by Lessor and Lessee upon or in connection with each such substitution of cars, and

(ix) there shall be executed and delivered a supplement to this Lease in form and substance satisfactory to the Lessor and counsel for the Lessor

(a) conveying and transferring the Substituted Cars and confirming that they are subject to this Lease,

- (b) amend Schedule B so as to make the Substituted Cars subject hereto,
- (c) making such other changes in this Lease as may be necessary by reason thereof,
- (d) ratifying and confirming this Lease in all other respects.

16. *Purchase Options.* (A) Provided that Lessee shall not be in default under this Lease, if in the judgment of Lessee the continued use of any of the Cars shall be uneconomic in the conduct of Lessee's business, then Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to such Cars on the next succeeding Basic Rent Payment Date, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars on such Basic Rent Payment Date at a price determined in accordance with Schedule D hereof as of such Basic Rent Payment Date. Such notice and undertaking shall be accompanied by a certificate, signed by one of its principal executive officers or by any Vice President of Lessee, to the effect that Lessee has determined that the further use of such Cars is uneconomic in the conduct of Lessee's business. Lessee shall deliver such notice, undertaking and certificate to Lessor at least 45 days prior to the proposed date of termination. On such date of termination, Lessor shall sell all such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

(B) Provided that Lessee shall not be in default under this Lease, Lessee may notify Lessor of Lessee's intention to terminate the term of this Lease with respect to any of the Cars on the first Basic Rent Payment Date in the years 1969, 1974, 1979 or 1982, provided that as part of such notice Lessee shall deliver its irrevocable undertaking to purchase such Cars on such date at a price determined in accordance with Schedule D hereof as of such date and provided, further, that if such purchase shall occur on January 31, 1969 Lessee shall pay an additional amount equal to 3.31% of such purchase price. Lessee shall deliver such notice and undertaking to Lessor at least 45 days prior to the proposed date of termination. On such date of termination, Lessor shall sell such Cars to Lessee or its nominee upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

17. *Purchase Offer.* Provided that Lessee shall not be in default under this Lease, Lessee shall have the right not less than 75 nor more than 100 days prior to any Basic Rent Payment Date occurring during the Basic Term of this Lease after February 1, 1974 to make an offer to Lessor to purchase all (but not less than all) of the Cars on the next succeeding Basic Rent Payment Date, at a price equal to the sum of (i) an amount equal to the then applicable purchase price shown on Schedule D hereto and (ii) an amount equal to a percentage of item (i), which shall be 1.65% in the calendar year 1974, 1.24% in the calendar year 1975, .83% in the calendar year 1976, .42% in the calendar year 1977 and 0% in the calendar year 1978 and thereafter. No such offer shall be made more than once in any calendar year. In the case of each such offer Lessor shall accept or reject such offer by notice to Lessee within 45 days after Lessor receives such offer. If Lessor does not accept Lessee's offer to purchase the Cars within such 45-day period, Lessee shall have the right to terminate this Lease on the Basic Rent Payment Date next succeeding the date of making of such offer by sending to Lessor notice of termination within 15 days after Lessee receives Lessor's rejection of Lessee's offer or, if Lessor fails to deliver an acceptance or rejection to Lessee, within 15 days following the latest date on which Lessor could have delivered such acceptance or rejection to Lessee. If Lessee shall terminate this Lease pursuant and subject to the immediately preceding sentence, Lessee shall have no further obligations or liabilities under this Lease, except such obligations or liabilities, actual or contingent, under this Lease as shall have arisen on or prior to said date of termination. Any sale of the Cars under this Section shall be made upon the terms and provisions set forth in Section 18 and Lessee shall pay to Lessor in cash the purchase price therefor.

18. *Payment and Title Upon Purchase.* In the event of any purchase of any one or more or all of the Cars by Lessee pursuant to any provision of this Lease, Lessor shall not be obligated to give any better title than existed at the time of Lessor's acquisition of title, and Lessee shall accept such title subject, however, to (i) any liens, encumbrances, charges, exceptions and restrictions not created or caused by Lessor and (ii) any laws, regulations and ordinances.

Lessee shall tender to Lessor or any Assignee the consideration for the purchase, and Lessor shall deliver a bill of sale or other instrument conveying title to the Cars to be purchased to Lessee pursuant to this Section 18. Lessee shall pay all charges incident to any sale or transfer, including applicable federal, state or local taxes and the like. Title to such Cars shall be delivered to Lessee at such place and time as Lessor and Lessee shall agree.

This Lease shall not terminate on the date on which Lessee shall be obligated to purchase the Cars to be purchased, nor shall Lessee's obligations hereunder cease until Lessee shall have paid the purchase price then payable for the Cars to be purchased (without regard to whether or not any delay in such purchase shall be due to the fault of Lessor), without set-off, counterclaim, deduction, defense, abatement, suspension, deferment, diminution or deduction by reason of any taxes, expenses, indebtedness, obligations, claims, demands, charges and liens of any character incurred by any person or for any other reason, and until Lessee shall have discharged, or made provisions satisfactory to Lessor for the discharge of, all other obligations and liabilities, actual or contingent, of Lessee under this Lease, which obligations and liabilities shall have arisen on or before the date for the purchase of the Cars to be purchased.

19. *Opinion of Counsel.* Concurrently with the execution and delivery of this Lease and of any supplement hereto, Lessee will deliver to Lessor the written opinion of general counsel for Lessee, in form and substance satisfactory to Lessor and its counsel, to the effect that

(i) Lessee is a corporation duly organized and validly existing and in good standing under the laws of the State of New York, with all requisite power and authority to enter into and perform this Lease, including any supplement hereto and to lease and operate the Cars;

(ii) this Lease, including any supplement hereto, has been duly executed and delivered, pursuant to due authorization, by Lessee and constitutes a valid and binding agreement legally enforceable against Lessee in accordance with its terms and has been recorded or filed in all offices in which recording or filing is necessary to give notice or to protect the validity thereof;

(iii) no authorization, order, license, permit, franchise, or consent of, or registration, declaration or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Lease and any supplement hereto or if any such approval, authorization, order, license, permit, franchise, consent, registration, declaration or filing is required, specifying the same and stating that the same have been obtained or made and are in full force and effect;

(iv) neither the execution or delivery of this Lease and any supplement hereto, nor performance hereof, nor the consummation of the transactions herein contemplated will conflict with or result in a breach of any of the terms, provisions or conditions of the certificate of incorporation or by-laws of Lessee, or of any present statute or administrative regulation, or of any order, writ, injunction, judgment or decree of any court or governmental authority, or of any agreement or instrument to which Lessee is a party or by which it is bound, or constitute a default thereunder, or result in the creation of any lien, charge or encumbrance upon the Lessee's leasehold interest under this Lease, including any supplement hereto, in the Cars pursuant to, any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it may be bound; and

(v) as to such other matters incident to the transactions contemplated as Lessor may reasonably require.

20. *Assignment and Subletting.* With the prior written consent of Lessor, Lessee may sublet the Cars and may assign or otherwise transfer all of its rights and interests hereunder and may renew, amend, release or cancel any sublease, assignment or transfer entered into pursuant to this Section; provided that any assignee or transferee (other than a sublessee) shall execute and deliver to Lessor an instrument, satisfactory in substance and form to Lessor, assuming all the obligations hereunder of the assigning or transferring lessee; and provided, further, that no assignment, transfer or sublease shall affect or reduce any of the obligations of Lessee hereunder, but this Lease shall continue in full force and effect and all obligations of Lessee hereunder shall continue in full force and effect as the obligations of a principal and not as the obligations of a guarantor or surety. Neither this Lease nor the term hereby demised and let shall be mortgaged by Lessee nor shall Lessee mortgage or pledge the interest of Lessee in and to any sublease or the rentals payable thereunder. Any such mortgage and any such assignment, transfer, sublease or pledge made by Lessee in violation of this Section 20 shall be void.

21. *Default; Permitted Contests.* (A) If Lessee at any time shall fail to make any payment or perform any act on its part to be made or performed under this Lease, then Lessor may (but shall not be obligated to), without notice to or demand upon Lessee and without waiving or releasing Lessee from any obligations or default of Lessee hereunder, make any such payment or perform any such act for the account and at the expense of Lessee. All sums so paid by Lessor and all necessary and incidental costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the performance of any such act by Lessor, together with interest at the rate of 6% per annum from the date of the making of such payment or the incurring of such costs and expenses by Lessor, shall be deemed additional rent hereunder and shall be payable by Lessee to Lessor, on demand, and Lessee covenants to pay any such sum or sums with interest, as aforesaid.

(B) Lessee shall not be required by any provision of this Lease to pay, discharge or remove any tax, lien, assessment, or encumbrance, or any other imposition or charge on or against the Cars or any thereof, so long as Lessee shall (after prior written notice to Lessor) in good faith contest at its expense the same or the validity or amount thereof by appropriate legal proceedings which shall operate to prevent the collection or satisfaction of the tax, lien, assessment, encumbrance, imposition or charge so contested and the sale of the Cars or any thereof to satisfy the same, and pending any such proceedings Lessor shall not have the right to pay, remove, or cause to be discharged the tax, lien, assessment, encumbrance, imposition or charge thereby being contested, provided that Lessee shall, prior to the date that any such item is claimed to be due and payable, have given such security as may be required in the proceedings and such reasonable security as may be demanded by Lessor to insure such payment and prevent any sale or forfeiture of the Cars or any thereof by reason of such nonpayment, and provided further that Lessor would not be in any substantial danger of civil or any danger of criminal liability by reason of such nonpayment.

22. *Events of Default.* If any one or more of the following events (herein sometimes called Events of Default) shall happen (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Lessee from complying with the terms of this Lease):

(i) default shall be made in the payment when due of Basic Rent or Extended Term Rent; or

(ii) default shall be made in the observance of any other of the covenants, conditions and agreements on the part of Lessee contained herein and such default shall continue for 30 days after written notice from Lessor to Lessee specifying the default and demanding the same to be remedied; or

(iii) the estate or interest of Lessee in any of the Cars shall be levied upon or attached in any proceeding and such process is not vacated or discharged within 60 days after such levy or attachment; or

(iv) a decree or order by a court having jurisdiction shall have been entered in a proceeding brought against Lessee

(a) adjudging Lessee a bankrupt or insolvent, or

(b) approving as properly filed a petition seeking reorganization of Lessee under the Bankruptcy Act or any other state or federal law relating to bankruptcy or insolvency, or

(c) for the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of Lessee or of its property or any substantial portion of its property, or

(d) for the winding up or liquidation of the affairs of Lessee,

and such decree or order shall have remained in force undischarged and unstayed for 30 days (except that no period of time shall be necessary in the case of clause (a) above; or

(v) Lessee shall

(a) institute proceedings to be adjudged a voluntary bankrupt, or

(b) consent to the filing of a bankruptcy proceeding against it, or

(c) file a petition or answer or consent seeking reorganization or readjustment under the Bankruptcy Act or any other state or federal law, or otherwise invoke any law for the aid of debtors, or consent to the filing of any such petition, or

(d) consent to the appointment of a receiver or liquidator or trustee in bankruptcy or insolvency of it or of its property or any substantial portion of its property, or

(e) make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or

(f) take any corporate action in furtherance of any of the aforesaid purposes;

then, in any such case, Lessor, at its option may

(1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(2) by notice to Lessee terminate the term of this Lease, whereupon all right of Lessee to the use of the Cars shall forthwith terminate as though this Lease had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon and take possession of all or any of the Cars and thenceforth hold, possess and enjoy the same free from any rights of Lessee, or its successors or assigns, to use the same for any purposes whatever (including the right to sell the Cars or any thereof upon any terms deemed satisfactory to Lessor); but Lessor shall, nevertheless, have the right to recover from Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid, including

the Basic Rent or Extended Term Rent becoming due after the date of default until the date of termination of the term of this Lease as provided in this subdivision (2), for the use of the Cars and also to recover forthwith from Lessee (i) if the term of this Lease has not expired, as damages for loss of the bargain and not as a penalty, a sum equal to the total of the semi-annual instalments of the Basic Rent or the Extended Term Rent determined as provided in Schedule C hereof discounted in each case from the date on which the same is payable to the date of such termination on the basis of a 4% per annum discount, compounded annually, and (ii) any damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of Basic Rent or Extended Term Rent. Lessee hereby waives, to the full extent permitted by law, any right it may have to require the sale, in mitigation of damages, of the Cars.

Anything to the contrary hereinabove contained notwithstanding, any nonpayment of Basic Rent, Extended Term Rent or additional rent due hereunder, whether during the applicable period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of Lessee to pay also an amount equal to 6% per annum of the overdue Basic Rent, Extended Term Rent or additional rent, as the case may be, for the period of time during which such Basic Rent, Extended Term Rent or additional rent shall be overdue.

The remedies in this Section 22 provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing under this Lease, at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies in this Section 22 provided, to the extent that such waiver is permitted by law. Extension of time for any payment of Basic Rent, Extended Term or additional rent, acceptance of a part thereof or failure of Lessor to enforce promptly any breach of this Lease by Lessee shall not constitute a waiver of any of Lessor's rights under this Section.

23. *Acceptance of Surrender; Redelivery.* No surrender to Lessor of this Lease or of the Cars or any thereof or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by a representative or agent of Lessor, and no act by Lessee, other than such a written agreement and acceptance by Lessor, shall constitute an acceptance of any such surrender. Upon the termination of the term of this Lease with respect to all the Cars by reason of expiration of the stated term hereof, such Cars shall be delivered to Lessor at such place and time as Lessor and Lessee shall agree.

24. *Certain Certificates.* Lessee shall deliver to Lessor on the 1st day of April in each of the years 1968, 1971, 1974, 1977, 1980 and 1983 and at such other times not more often than once in any year as Lessor shall request a certificate of a principal executive or financial officer of Lessee setting forth the fair market value of the Cars as at the preceding 31st day of December. If the fair market value of the Cars as at the date of such certificate, as set forth in any such certificate, shall be less than the unamortized cost of the Cars (as determined in accordance with Schedule D) as at such date, then if Lessor shall request, Lessee shall not less than 20 nor more than 40 days after such request either (i) effect a substitution of Cars pursuant to Section 15 or (ii) purchase one or more Cars pursuant to Section 16(A) or (iii) substitute one or more Cars and purchase one or more Cars, so that immediately upon such substitution or such purchase or such substitution and purchase the fair market value of the Cars will equal or exceed the unamortized cost of the Cars (determined as aforesaid) as at the preceding 31st day of December; provided, that if Lessee shall elect to effect a substitution of Cars pursuant to Section 15, the requirements in such Section that a notice be given to Lessor and that a substitution may be effected only with respect to five or

more Cars shall not be applicable and provided, further, that if Lessee shall elect to purchase one or more Cars pursuant to Section 16(A), the requirements in such Section that Lessee deliver a certificate to the effect that further use of such Car or Cars is uneconomic and that such purchase shall occur on the next succeeding Basic Rent Payment Date shall not be applicable.

25. *Supplements.* Lessor and Lessee will execute and deliver on or prior to any date on which additional Cars shall be made subject to this Lease a supplement to this Lease, substantially in the form of Schedule E, appropriately amending this Lease as provided in Article II of the Indenture and ratifying and confirming this Lease.

26. *No Claims Against Lessor.* Nothing contained in this Lease shall constitute any consent or request by Lessor, express or implied, for the performance of any labor or services in respect of the Cars or any thereof, nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services as would permit the making of any claim against Lessor.

27. *Notices, etc.* During the term of this Lease, all notices, demands, requests, approvals, consents, and other similar instruments of whatsoever kind or character to which Lessor may be entitled or which may be required pursuant to this Lease to be given to Lessor shall be made and delivered to Lessor at its address set forth above or at such other address as Lessor shall notify Lessee in writing, and, at the request of Lessor, to any Assignee at the address set forth in such request. All such notices, demands, requests, approvals and other similar instruments under this Lease shall be in writing, and shall be deemed to have been properly given if sent by United States certified or registered mail, postage prepaid, (i) if to Lessee, addressed to Lessee at its address set forth above, or at such other address as Lessee from time to time may have designated by notice to Lessor, and (ii) if to Lessor, addressed to Lessor at its address set forth above, or at such other address as Lessor may have designated, from time to time, by notice to Lessee.

28. *Waiver, Discharge.* If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. The terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not define or limit the provisions hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

29. *Assignment of Lessor's Interest.* Lessor may, at any time and from time to time, assign to any person, firm, corporation or entity (herein called an Assignee), by way of pledge, or as security for any indebtedness of Lessor or otherwise, any or all of the rights and interests in whole or in part of Lessor under this Lease, including the right to receive any rental payable hereunder. From and after any such assignment to any Assignee by way of pledge or as security for any indebtedness of Lessor, (i) such Assignee may enforce any and all of the terms of this Lease, to the extent so assigned, as though such Assignee had been a party hereto, (ii) no action or failure to act on the part of Lessor shall adversely affect or limit any rights of such Assignee, (iii) no such assignment shall release Lessor from any of its obligations under this Lease nor constitute an assumption of any such obligations on the part of such Assignee, (iv) no Basic

Rent may be prepaid prior to the due date thereof without the prior written consent of such Assignee, (v) no termination, amendment or modification of this Lease and no waiver of any of the terms and provisions hereof shall be valid unless consented to in writing by such Assignee, (vi) all notices, demands, consents, requests, approvals or other instruments given by Lessee hereunder shall also be delivered to such Assignee, and (vii) whenever the term Lessor is used herein, it shall, when appropriate, include such Assignee. Any Assignee may assign his or its rights and interest in this Lease to another assignee, and on and after the date of such assignment the term "Assignee" shall include such assignee.

30. *New York Law.* This Lease shall be governed by and construed in accordance with the law of the State of New York.

31. *Incorporated Schedules.* The following are Schedules A, B, C, D and E referred to in this Lease:

SCHEDULE A TO LEASE

CERTAIN DEFINED TERMS

1. Basic Rent Payment Dates shall be:

(a) for the Initial Term—Each January 29 and July 29 occurring during the Initial Term of this Lease to and including January 29, 1964;

(b) for the Basic Term—July 29, 1964 and each January 29 and July 29 occurring thereafter to and including January 29, 1984.

2. EXTENDED TERM RENT PAYMENT DATES shall be each January 29 and July 29 during each Extended Term to and including January 29 immediately prior to the expiration date of such Term.

3. Indenture—means that certain Indenture of Mortgage and Deed of Trust, dated as of July 26, 1962, from First Union Properties, Inc. to Bankers Trust Company as Trustee.

SCHEDULE B TO LEASE
DESCRIPTION OF THE EQUIPMENT

<u>Number of Cars</u>	<u>Interstate Commerce Commission Specification Number</u>	<u>Old Identifying Symbol and Number</u>	<u>New Identifying Symbol and Number</u>	<u>Category for Purposes of Schedule C</u>
45	ICC 112A-400W	TNGX-30000-30044	ACLX-930000-930044	I
18	"	" 30045-30062	" 930045-930062	II
66	ICC-103AW	GCX-5300-5365	ACLX-25300-25365	III
10	"	" 5366-5375	" 25366-25375	IV
2	"	" 3313-3314	" 23313-23314	V
11	"	" 3315-3325	" 23315-23325	VI
60	"	" 5376-5435	" 25376-25435	VII
5	"	" 5436-5440	" 25436-25440	VIII
1	"	" 7828	" 27828	IX
1	"	" 7829	" 27829	X
1	"	" 7830	" 27830	XI
1	"	" 7831	" 27831	XII
13	"	" 7832-7844	" 27832-27844	XIII
1	"	" 7845	" 27845	XIV
3	"	" 7846-7848	" 27846-27848	XV
3	"	" 7849-7851	" 27849-27851	XVI
1	"	" 7852	" 27852	XVII
1	"	" 7853	" 27853	XVIII
1	"	" 7854	" 27854	XIX
1	"	" 7855	" 27855	XX
1	"	" 7856	" 27856	XXI
2	"	" 7857-7858	" 27857-27858	XXII
1	"	" 7859	" 27859	XXIII
18	"	" 7860-7877	" 27860-27877	XXIV
11	"	" 7878-7888	" 27878-27888	XXV
1	"	" 7889	" 27889	XXVI
13	"	" 7890-7902	" 27890-27902	XXVII
23	"	" 7903-7925	" 27903-27925	XXVIII
2	"	" 7926-7927	" 27926-27927	XXIX
6	ICC-103BW	" 3857-3862	" 23857-23862	XXX
5	"	" 4803-4807	" 24803-24807	XXXI
6	"	" 8000-8005	" 28000-28005	XXXII
1	AAR-201A80W	NDX- 9124	ACLX- 49124	XXXIII
10	"	" 9125-9134	" 49125-49134	XXXIV
21	"	" 9135-9155	" 49135-49155	XXXV
14	"	" 9156-9169	" 49156-49169	XXXVI
15	"	" 9170-9184	" 49170-49184	XXXVII
2	"	" 9185-9186	" 49185-49186	XXXVIII
1	"	" 9187	" 49187	XXXIX
15	"	" 9189-9203	" 49189-49203	XL
44	"	" 9204-9247	" 49204-49247	XLI
22	"	" 9248-9269	" 49248-49269	XLII
25	"	" 9500-9524	" 49500-49524	XLIII
56	"	" 9525-9580	" 49525-49580	XLIV
16	"	" 9581-9596	" 49581-49596	XLV
8	"	" 9597-9604	" 49597-49604	XLVI
3	"	" 9605-9607	" 49605-49607	XLVII
2	"	" 9608-9609	" 49608-49609	XLVIII

SCHEDULE C TO LEASE

BASIC RENT AND EXTENDED TERM RENT PAYMENTS AND LESSOR'S CAPITALIZED COSTS

Column 1		Column 2	Column 1		Column 2
Category and Number of Cars		Lessor's Total Capitalized Cost for each Car in such Category	Category and Number of Cars		Lessor's Total Capitalized Cost for each Car in such Category
I	45	23,250	XXV	11	5,703
II	18	23,250	XXVI	1	6,718
III	66	4,069	XXVII	13	5,816
IV	10	6,900	XXVIII	23	5,608
V	2	6,326	XXIX	2	6,116
VI	11	6,116	XXX	6	13,082
VII	60	6,886	XXXI	5	15,487
VIII	5	6,900	XXXII	6	14,962
IX	1	5,526	XXXIII	1	7,124
X	1	6,706	XXXIV	10	7,123
XI	1	5,526	XXXV	21	7,102
XII	1	6,706	XXXVI	14	7,438
XIII	13	5,665	XXXVII	15	7,479
XIV	1	5,526	XXXVIII	2	6,825
XV	3	5,684	XXXIX	1	6,828
XVI	3	6,706	XL	15	7,479
XVII	1	5,998	XLI	44	7,512
XVIII	1	5,526	XLII	22	7,548
XIX	1	5,998	XLIII	25	7,084
XX	1	5,526	XLIV	56	7,084
XXI	1	5,998	XLV	16	7,153
XXII	2	5,526	XLVI	8	7,152
XXIII	1	6,706	XLVII	3	7,253
XXIV	18	5,526	XLVIII	2	7,071

1. Lessor's Initial Capitalized Cost for each Car shall be determined as of the close of business on the date of delivery of this Lease and shall be a fraction of Lessor's Total Capitalized Cost for such Car, the numerator of which fraction shall be the aggregate principal amount of all the 4 $\frac{3}{8}$ % Secured Notes issued under the Indenture on or prior to the date of commencement of the Initial Term of this Lease and the denominator of which fraction shall be the aggregate principal amount of all such 4 $\frac{3}{8}$ % Secured Notes and all 4 $\frac{5}{8}$ % Secured Notes issued under the Indenture on or prior to the date of commencement of the Initial Term of this Lease.

2. Lessor's Subsequent Capitalized Cost for each Car shall be the excess of Lessor's Total Capitalized Cost for such Car over Lessor's Initial Capitalized Cost therefor determined as provided in paragraph 1 of this Schedule C.

3. On each Basic Rent Payment Date during the Initial Term of this Lease, the Basic Rent thereunder will be the sum of (i) 2.1875% of Lessor's Initial Capitalized Cost and (ii) 2.3125% of Lessor's Subsequent Capitalized Cost for each Car.

4. On each Basic Rent Payment Date during the Basic Term of this Lease to and including January 29, 1971 the Basic Rent for each Car will be the sum of (i) 8.37% of Lessor's Initial Capitalized Cost and (ii) 2.3125% of Lessor's Subsequent Capitalized Cost for each Car.

5. On July 29, 1971 and on each Basic Rent Payment Date thereafter during the Basic Term of this Lease, to and including January 29, 1984, the Basic Rent for each Car will be 5.161% of Lessor's Subsequent Capitalized Cost for such Car.

6. On July 29, 1984 and on each Extended Term Rent Payment Date thereafter during the first Extended Term of this Lease to and including January 29, 1989 the Extended Term Rent for each Car will be 1% of Lessor's Total Capitalized Cost for such Car.

7. On July 29, 1989 and on each Extended Term Rent Payment Date thereafter during each succeeding Extended Term to and including January 29, 1999 the Extended Term Rent for each Car will be three quarters of 1% of Lessor's Total Capitalized Cost for such Car.

SCHEDULE D TO LEASE

UNAMORTIZED COSTS OF CARS

On any date the unamortized cost of any Car shall be the sum of: (i) the determinable amount determined as provided below in this Schedule D plus (ii) if the date as of which such unamortized cost is calculated shall not be a Basic Rent Payment Date, interest at the rate of $4\frac{5}{8}\%$ per annum on such determinable amount for the period beginning on the immediately preceding Basic Rent Payment Date (or if there shall be no such Date, for the period beginning on the date on which such Car became subject to this Lease) and ending on and including the date as of which such unamortized cost is calculated or (iii) if such date of calculation shall be a Basic Rent Payment Date, the amount of Basic Rent payable with respect to such Car on such date pursuant to this Lease. The determinable amount referred to in this Schedule D shall be:

(a) Prior to August 1, 1964, an amount equal to Lessor's Total Capitalized Cost of such Car shown on Schedule C hereof;

(b) On and after August 1, 1964 to and including January 31, 1971, the sum of: (x) Lessor's Subsequent Capitalized Cost for such Car plus (y) an amount which bears the same proportion to the then applicable amount shown on Column 2 below as Lessor's Initial Capitalized Cost for such Car determined as provided in Schedule C hereof bears to \$10,000; and

(c) On and after February 1, 1971 to and including January 31, 1984, an amount which bears the same proportion to the then applicable amount shown on Column 3 below as Lessor's Subsequent Capitalized Cost for such Car determined as provided in Schedule C hereof bears to \$10,000.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<u>For the Semi-Annual Period Beginning on:</u>		
August 1, 1964	\$9,382	0
February 1, 1965	8,751	0
August 1, 1965	8,105	0
February 1, 1966	7,445	0
August 1, 1966	6,771	0
February 1, 1967	6,082	0
August 1, 1967	5,378	0
February 1, 1968	4,659	0
August 1, 1968	3,924	0
February 1, 1969	3,173	0
August 1, 1969	2,405	0
February 1, 1970	1,621	0
August 1, 1970	820	0
February 1, 1971	10	0
August 1, 1971	0	\$9,716
February 1, 1972	0	9,424
August 1, 1972	0	9,126
February 1, 1973	0	8,821
August 1, 1973	0	8,509
February 1, 1974	0	8,190

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<u>For the Semi-Annual Period Beginning on:</u>		
August 1, 1974	0	\$7,863
February 1, 1975	0	7,529
August 1, 1975	0	7,187
February 1, 1976	0	6,837
August 1, 1976	0	6,479
February 1, 1977	0	6,113
August 1, 1977	0	5,738
February 1, 1978	0	5,355
August 1, 1978	0	4,962
February 1, 1979	0	4,561
August 1, 1979	0	4,151
February 1, 1980	0	3,730
August 1, 1980	0	3,301
February 1, 1981	0	2,861
August 1, 1981	0	2,411
February 1, 1982	0	1,951
August 1, 1982	0	1,480
February 1, 1983	0	998
August 1, 1983	0	505
February 1, 1984	0	10

SCHEDULE E TO LEASE

Supplement No., dated as of, 196.., to that certain Lease of Railroad Equipment dated as of, 196.., between First Union Properties, Inc. as Lessor and Allied Chemical Corporation as Lessee for an Initial Term and a Basic Term extending to and including January 31, 1984 (such Lease, as herein supplemented, being herein-after termed the Lease).

WHEREAS, Lessor and Lessee executed and delivered the Lease on, 1962, which Lease covers railroad cars of the type described in Schedule B thereof; and

WHEREAS, Section 25 of the Lease provides for the execution and delivery of supplements thereto whenever additional railroad cars are made subject to the Lease and Lessor and Lessee wish to make the cars of the types described in Schedule A hereof subject to the Lease;

NOW, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which said considerations are hereby acknowledged and confessed by each party, it is hereby mutually agreed by and between Lessor and Lessee that the Lease shall be and the same hereby is supplemented, in the following particulars:

1. The railroad cars of the types and bearing the identifying symbol and car numbers set forth in Schedule A hereof are hereby made subject to the Lease and shall be Cars for all purposes of the Lease. Lessee hereby acknowledges delivery of the Cars and acknowledges that the Cars are in the possession of Lessee and subject to all the terms and conditions of the Lease. Lessee further acknowledges that each Car complies with the Rules of Interchange of the Association of American Railroads and with all governmental laws, rules, regulations and requirements relating to the construction and equipment of railroad cars of the same character as the Car and is in good order and ready for service.

2. Lessor's Total Capitalized Cost set forth in Schedule C to the Lease is hereby increased by the amount of \$....., which is the cost to Lessor of acquiring the Cars described in Schedule A hereof. Column 1 of said Schedule C is amended by increasing the number of Cars in Category to and Column 2 of said Schedule C is amended in the following manner:

3. The Basic Rent and Extended Term Rent of the Cars shall be calculated and paid on the basis of Lessor's Total Capitalized Cost as increased as provided in Section 2 hereof.

This Supplement is expressly made supplemental to and a part of the Lease. Lessor and Lessee agree that all the agreements, covenants, conditions and provisions contained in the Lease shall be applicable to the Cars made subject thereto by this Supplement and except as hereinabove expressly supplemented, the Lease shall be and remain unaltered and in full force and effect. Lessor and Lessee hereby confirm and ratify the Lease as supplemented hereby.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, all as of the day and year first above written.

FIRST UNION PROPERTIES, INC.

By

Vice President

Attest:

.....
Secretary

ALLIED CHEMICAL CORPORATION

By

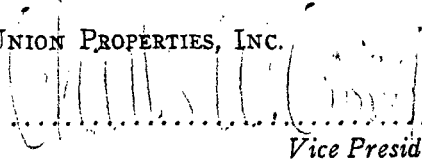
Vice President

Attest:

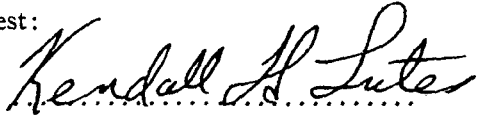
.....
Assistant Secretary

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Lease by their respective officers thereunto duly authorized as of the day and year first above written.

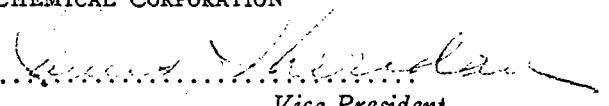
FIRST UNION PROPERTIES, INC.

By  Vice President
LESSOR

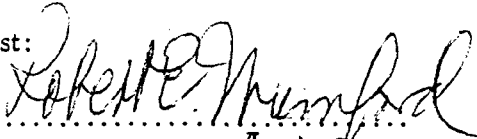
Attest:


Asst Secretary

ALLIED CHEMICAL CORPORATION

By  Vice President
LESSEE

Attest:


Ass't Secretary

STATE OF NEW JERSEY }
COUNTY OF HUDSON } ss.:

On this 5th day of October, 1962 before me personally appeared CHARLES W. COSSEY, to me personally known, who being by me duly sworn, says that he is a Vice-President of First Union Properties, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he duly acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary Jane O'Connor
Notary Public

[SEAL]

MARY JANE O'CONNOR
NOTARY PUBLIC OF NEW JERSEY
Commission Expires January 25, 1967

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 8th day of October, 1962 before me personally appeared JAMES SHERIDAN, to me personally known, who being by me duly sworn, says that he is a Vice-President of Allied Chemical Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he duly acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Gertrude Otten
Notary Public

[SEAL]

GERTRUDE OTTEN
NOTARY PUBLIC, State of New York
No. 43-2987125
Qualified in Richmond County
Cert. filed in New York County
Commission Expires March 30, 1963

LEASE SUPPLEMENT

SUPPLEMENT NO. 1, dated as of December 4, 1962, to that certain Lease of Railroad Equipment, dated as of October 2, 1962, between FIRST UNION PROPERTIES, INC. as Lessor and ALLIED CHEMICAL CORPORATION as Lessee for an Initial Term and a Basic Term extending to and including January 31, 1984 (such Lease, as herein amended and supplemented, being hereinafter termed the Lease).

WHEREAS, Lessor and Lessee delivered the Lease on October 9, 1962, which Lease covers 589 railroad cars of the type described in Schedule B thereof; and

WHEREAS, Section 25 of the Lease provides for the execution and delivery of supplements thereto whenever additional railroad cars are made subject to the Lease and Lessor and Lessee wish to make the 2027 cars of the types described in Schedule A hereof subject to the Lease;

Now, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which said considerations are hereby acknowledged and confessed by each party, it is hereby mutually agreed by and between Lessor and Lessee that the Lease shall be and the same hereby is amended and supplemented, in the following particulars:

1. The first paragraph of Section 7 of the Lease is hereby amended to read as follows:

"7. *Numbering.* Lessee will (unless the same shall have been done prior to the date of commencement of this Lease) cause the identifying symbol ACDX to be placed on, and will cause one of Lessee's car numbers to be assigned to and placed on, each side of each such Car, such car numbers to be as set forth in Schedule B hereof, and at all times thereafter Lessee will cause each Car subject to this Lease to bear on each side thereof such identifying symbol and the car number so assigned to it."

2. Schedule B to the Lease is hereby amended by changing the identifying symbol "ACLX" wherever appearing in the fourth column from the left of such Schedule B to the identifying symbol "ACDX." The line of Schedule B to the Lease in which appears the figure II under the caption "Category for Purposes of Schedule C" is hereby amended to read from left to right as follows:

2

"18	"	TNGX-30045-30061	ACDX-930045-930061	II"
	"	30053	"	930053

3. The 2027 railroad cars of the types and bearing the old identifying symbol and car numbers set forth in Column 3 of Schedule A hereof and to bear the new identifying symbol and car numbers set forth in Column 4 of Schedule A hereof are hereby made subject to the Lease and shall be Cars for all purposes of the Lease. Lessee hereby acknowledges delivery of such 2027 Cars and acknowledges that such 2027 Cars are in the possession of Lessee and subject to all the terms and conditions of the Lease. Lessee further acknowledges that each Car made subject to the Lease by this Supplement No. 1 complies with the Rules of Interchange of the Association of American Railroads and with all governmental laws, rules, regulations and requirements relating to the construction and equipment of railroad cars of the same character as the Car and is in good order and ready for service.

4. Schedule C to the Lease is hereby supplemented by adding 151 additional Categories, numbered XLIX to and including CXCI, each of which Categories shall have the number of Cars and the Lessor's Total Capitalized Cost for each Car in such Category as set forth in

Schedule B hereof for such additional Category. From and including the date of delivery of this Supplement No. 1, Schedule C to the Lease of Railroad Equipment, dated as of October 2, 1962, as supplemented by the addition of such additional 151 Categories, shall be as set forth in Schedule B hereof and such Schedule B shall replace Schedule C to the Lease of Railroad Equipment, dated as of October 2, 1962, for all purposes of the Lease. Lessor's Total Capitalized Cost for the 2027 Cars made subject to the Lease on the date of delivery of this Supplement No. 1 to the Lease is at least equal to the cost to Lessor of acquiring such Cars.

5. From and including the date of delivery of this Supplement No. 1 to the Lease the Basic Rent and Extended Term-Rent of the Cars shall be calculated and paid on the basis of Lessor's Total Capitalized Cost for each Car as set forth in Schedule C to the Lease, as such Schedule is supplemented hereby.

This Supplement is expressly made supplemental to and a part of the Lease. Lessor and Lessee agree that all the agreements, covenants, conditions and provisions contained in the Lease shall be applicable to the Cars made subject thereto by this Supplement and except as hereinabove expressly amended and supplemented, the Lease shall be and remain unaltered and in full force and effect. Lessor and Lessee hereby confirm and ratify the Lease as amended and supplemented hereby.

IN WITNESS WHEREOF, Lessor and Lessee, pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names and their respective corporate seals to be hereunto affixed, duly attested, all as of the day and year first above written.

FIRST UNION PROPERTIES, INC.

By Herbert G. Walker
Vice President

Attest:

Kendall H. Lutes
Assistant Secretary

ALLIED CHEMICAL CORPORATION

By James Sheridan
Vice President

Attest:

Robert Ellison Jr.
Assistant Secretary

all the 4 $\frac{3}{4}$ % Secured Notes issued under the Indenture on or prior to the date of commencement of the Initial Term of this Lease and the denominator of which fraction shall be the aggregate principal amount of all such 4 $\frac{3}{4}$ % Secured Notes and all 4 $\frac{5}{8}$ % Secured Notes issued under the Indenture on or prior to the date of commencement of the Initial Term of this Lease.

2. Lessor's Subsequent Capitalized Cost for each Car shall be the excess of Lessor's Total Capitalized Cost for such Car over Lessor's Initial Capitalized Cost therefor determined as provided in paragraph 1 of this Schedule C.

3. On each Basic Rent Payment Date during the Initial Term of this Lease, the Basic Rent thereunder will be the sum of (i) 2.1875% of Lessor's Initial Capitalized Cost and (ii) 2.3125% of Lessor's Subsequent Capitalized Cost for each Car.

4. On each Basic Rent Payment Date during the Basic Term of this Lease to and including January 29, 1971 the Basic Rent for each Car will be the sum of (i) 8.37% of Lessor's Initial Capitalized Cost and (ii) 2.3125% of Lessor's Subsequent Capitalized Cost for each Car.

5. On July 29, 1971 and on each Basic Rent Payment Date thereafter during the Basic Term of this Lease, to and including January 29, 1984, the Basic Rent for each Car will be 5.161% of Lessor's Subsequent Capitalized Cost for such Car.

6. On July 29, 1984 and on each Extended Term Rent Payment Date thereafter during the first Extended Term of this Lease to and including January 29, 1989 the Extended Term Rent for each Car will be 1% of Lessor's Total Capitalized Cost for such Car.

7. On July 29, 1989 and on each Extended Term Rent Payment Date thereafter during each succeeding Extended Term to and including January 29, 1999 the Extended Term Rent for each Car will be three quarters of 1% of Lessor's Total Capitalized Cost for such Car.

SCHEDULE A TO LEASE SUPPLEMENT

DESCRIPTION OF THE EQUIPMENT

Column 1	Column 2	Column 3		Column 4		Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number		New Identifying Symbol and Number		Category of Cars as set forth in Schedule A to the Lease Supplement
49	ICC-105A300	TNGX-	110	ACDX-	9110	XLIX
	"	"	120	"	9120	
	"	"	130	"	9130	
	"	"	140	"	9140	
	"	"	150	"	9150	
	"	"	160	"	9160	
	"	"	170	"	9170	
	"	"	180	"	9180	
	"	"	190	"	9190	
	"	"	200	"	9200	
	"	"	210	"	9210	
	"	"	220	"	9220	
	"	"	230	"	9230	
	"	"	240	"	9240	
	"	"	250	"	9250	
	"	"	260	"	9260	
	"	"	270	"	9270	
	"	"	280	"	9280	
	"	"	290	"	9290	
	"	"	300	"	9300	
	"	"	310	"	9310	
	"	"	320	"	9320	
	"	"	330	"	9330	
	"	"	340	"	9340	
	"	"	350	"	9350	
	"	"	360	"	9360	
	"	"	370	"	9370	
	"	"	380	"	9380	
	"	"	390	"	9390	
	"	"	400	"	9400	
	"	"	410	"	9410	
	"	"	420	"	9420	
	"	"	430	"	9430	
	"	"	440	"	9440	
	"	"	450	"	9450	
	"	"	460	"	9460	
	"	"	470	"	9470	
	"	"	480	"	9480	
	"	"	490	"	9490	
	"	"	500	"	9500	
	"	"	510	"	9510	
	"	"	520	"	9520	
	"	"	530	"	9530	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
	ICC-105A300	TNGX- 540	ACDX- 9540	
	"	" 550	" 9550	
	"	" 560	" 9560	
	"	" 570	" 9570	
	"	" 580	" 9580	
	"	" 590	" 9590	
197	"	" 601-656	" 9601-9656	L
	"	" 658-723	" 9658-9723	
	"	" 725-775	" 9725-9775	
	"	" 777-800	" 9777-9800	
20	"	" 801-820	" 9801-9820	LI
1	"	" 821	" 9821	LII
29	"	" 822-850	" 9822-9850	LIII
98	"	" 851-876	" 9851-9876	LIV
	"	" 878-890	" 9878-9890	
	"	" 892-950	" 9892-9950	
149	"	" 951-993	" 9951-9993	LV
	"	" 995-1100	" 9995-91100	
198	"	" 1101-1134	" 91101-91134	LVI
	"	" 1136-1235	" 91136-91235	
	"	" 1237-1300	" 91237-91300	
8	"	" 1301-1307	" 91301-91307	LVII
	"	" 1309	" 91309	
6	"	" 1310-1315	" 91310-91315	LVIII
3	"	" 1316-1318	" 91316-91318	LIX
6	"	" 1319-1324	" 91319-91324	LX
12	"	" 1325-1336	" 91325-91336	LXI
1	"	" 1337	" 91337	LXII
1	"	" 1338	" 91338	LXIII
1	"	" 1339	" 91339	LXIV
1	"	" 1340	" 91340	LXV
1	"	" 1341	" 91341	LXVI
25	103AW	G CX- 6270-6271	" 26270-26271	LXVII
	"	" 6277	" 26277	
	"	" 6291	" 26291	
	"	" 6295	" 26295	
	"	" 6299-6300	" 26299-26300	
	"	" 6306	" 26306	
	"	" 6315	" 26315	
	"	" 6318	" 26318	
	"	" 6320	" 26320	
	"	" 6332	" 26332	
	"	" 6337	" 26337	
	"	" 6339	" 26339	
	"	" 6347	" 26347	
	"	" 6349	" 26349	
	"	" 6353	" 26353	
	"	" 6357	" 26357	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
	103AW	GCX-	6359	
	"	"	6362	
	"	"	6366	
	"	"	6370	
	"	"	6372	
	"	"	6377	
	"	"	6380	
38	"	"	6385-6387	LXVIII
	"	"	6390	
	"	"	6392	
	"	"	6394	
	"	"	6396	
	"	"	6403	
	"	"	6409	
	"	"	6413	
	"	"	6415-6418	
	"	"	6424-6429	
	"	"	6431	
	"	"	6434	
	"	"	6438-6439	
	"	"	6441	
	"	"	6443	
	"	"	6452	
	"	"	6464	
	"	"	6488	
	"	"	6490	
	"	"	6519	
	"	"	6524	
	"	"	6570	
	"	"	6612	
	"	"	6635	
	"	"	6645	
	"	"	6690-6691	
2	"	"	6398-6399	LXIX
1	"	"	6419	LXX
3	"	"	6420-6422	LXXI
1	"	"	6423	LXXII
4	"	"	6445-6448	LXXIII
1	"	"	6501	LXXIV
1	"	"	6734	LXXV
38	"	"	7716	LXXVI
	"	"	7720-7721	
	"	"	7723	
	"	"	7725-7729	
	"	"	7731-7734	
	"	"	7736-7741	
	"	"	7743-7747	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
	103AW	GCX- 7749-7752	ACDX- 27749-27752	
	"	" 7767-7769	" 27767-27769	
	"	" 7772-7777	" 27772-27777	
	"	" 7715	" 27715	
9	"	" 7717-7719	" 27717-27719	LXXVII
	"	" 7724	" 27724	
	"	" 7742	" 27742	
	"	" 7753	" 27753	
	"	" 7766	" 27766	
	"	" 7770-7771	" 27770-27771	
1	"	" 7722	" 27722	LXXVIII
1	"	" 7730	" 27730	LXXIX
2	"	" 7735	" 27735	LXXX
	"	" 7748	" 27748	
12	"	" 7754-7765	" 27754-27765	LXXXI
49	"	" 7778-7826	" 27778-27826	LXXXII
1	"	" 7827	" 27827	LXXXIII
5	103BW	" 2905-2909	" 22905-22909	LXXXIV
14	"	" 3823-3836	" 23823-23836	LXXXV
19	"	" 3837-3847	" 23837-23847	LXXXVI
	"	" 3849-3856	" 23849-23856	
1	"	" 3848	" 23848	LXXXVII
5	103AW	" 4100-4104	" 24100-24104	LXXXVIII
5	103BW	" 4700-4704	" 24700-24704	LXXXIX
10	"	" 4705-4714	" 24705-24714	XC
1	"	" 7002	" 27002	XCI
8	103CW	" 4007-4014	" 24007-24014	XCII
3	"	" 4015-4017	" 24015-24017	XCIII
3	"	" 4018-4020	" 24018-24020	XCIV
10	"	" 4021-4030	" 24021-24030	XCV
5	103AW	" 601	" 2601	XCVI
	"	" 615-618	" 2615-2618	
14	106A500	" 1500-1501	" 21500-21501	XCVII
	"	" 1503	" 21503	
	"	" 1505-1513	" 21505-21513	
	"	" 1515-1516	" 21515-21516	
8	"	" 1518-1525	" 21518-21525	XCVIII
3	103AW	" 6421	" 26421	XCIX
	"	" 6446	" 26446	
	"	" 6399	" 26399	
7	"	" 6422	" 26422	C
	"	" 6428	" 26428	
	"	" 6445	" 26445	
	"	" 6645	" 26645	
	"	" 6394	" 26394	
	"	" 6403	" 26403	
	"	" 6418	" 26418	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
3	105A500	GDX- 3703-3705	ACDX- 23703-23705	CI
6	103AW	" 6219	" 26219	CII
	"	" 6231	" 26231	
	"	" 6234	" 26234	
	"	" 6249	" 26249	
	"	" 6257	" 26257	
	"	" 6265	" 26265	
3	103BW	" 4800-4802	" 24800-24802	CIII
2	103AW	" 5441-5442	" 25441-25442	CIV
1	"	" 5443	" 25443	CV
2	"	" 5444-5445	" 25444-25445	CVI
1	"	" 5446	" 25446	CVII
10	"	" 7930-7939	" 27930-27939	CVIII
18	"	" 7940-7957	" 27940-27957	CIX
25	"	" 7958-7972	" 27958-27972	CX
	"	" 7974-7981	" 27974-27981	
	"	" 7984-7985	" 27984-27985	
1	"	" 7973	" 27973	CXI
1	"	" 7983	" 27983	CXII
3	"	" 12500-12502	" 212500-212502	CXIII
3	AAR-LO	BMX- 701-703	" 1701-1703	CXIV
6	"	" 704-709	" 1704-1709	CXV
5	ICC-103	" 9002-9006	" 19002-19006	CXVI
2	"	" 9007-9008	" 19007-19008	CXVII
10	"	" 9102	" 19102	CXVIII
	"	" 9106	" 19106	
	"	" 9115	" 19115	
	"	" 9116	" 19116	
	"	" 9125	" 19125	
	"	" 9126	" 19126	
	"	" 9133	" 19133	
	"	" 9136	" 19136	
	"	" 9140	" 19140	
	"	" 9141	" 19141	
3	"	" 9144	" 19144	CXIX
	"	" 9152-9153	" 19152-19153	
15	"	" 9012-9013	" 19012-19013	CXX
	"	" 9015	" 19015	
	"	" 9017-9019	" 19017-19019	
	"	" 9023	" 19023	
	"	" 9026	" 19026	
	"	" 9037	" 19037	
	"	" 9039	" 19039	
	"	" 9042	" 19042	
	"	" 9053-9056	" 19053-19056	
2	"	" 9059	" 19059	CXXI
	"	" 9062	" 19062	
6	"	" 9082-9085	" 19082-19085	CXXII
	"	" 9089-9090	" 19089-19090	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
9	ICC-103	BMX- 9112	ACDX- 19112	CXXIII
	"	" 9114	" 19114	
	"	" 9117	" 19117	
	"	" 9154	" 19154	
	"	" 9157	" 19157	
	"	" 9159-9160	" 19159-19160	
	"	" 9163	" 19163	
	"	" 9167	" 19167	
3	"	" 9124	" 19124	CXXIV
	"	" 9198-9199	" 19198-19199	
7	"	" 9171	" 19171	CXXV
	"	" 9173-9174	" 19173-19174	
	"	" 9179	" 19179	
	"	" 9183	" 19183	
	"	" 9187-9188	" 19187-19188	
3	"	" 9184	" 19184	CXXVI
	"	" 9186	" 19186	
	"	" 9193	" 19193	
1	"	" 9195	" 19195	CXXVII
1	AAR-III	SPX- 50392	" 650392	CXXVIII
1	ICC-105A300	" 80382	" 680382	CXXIX
1	ICC-105A500	" 8202	" 68202	CXXX
5	"	" 8701-8705	" 68701-68705	CXXXI
20	"	" 8706-8725	" 68706-68725	CXXXII
28	"	" 8726-8753	" 68726-68753	CXXXIII
17	ICC-105A300W	" 8754-8770	" 68754-68770	CXXXIV
5	ICC-105A500W	" 8771-8775	" 68771-68775	CXXXV
50	ICC-105A500	" 8776-8825	" 68776-68825	CXXXVI
6	ICC-106A500	" 8531-8536	" 68531-68536	CXXXVII
6	"	" 8537-8539	" 68537-68539	CXXXVIII
	"	" 8541-8543	" 68541-68543	
3	"	" 8544-8546	" 68544-68546	CXXXIX
4	"	" 8547-8550	" 68547-68550	CXL
2	AAR-LO	" 50393	" 650393	CXLI
	"	" 50394	" 650394	
2	ICC-201A35	NDX- 9100-9101	" 49100-49101	CXLII
3	"	" 9102-9104	" 49102-49104	CXLIII
19	201A80W	" 9105-9123	" 49105-49123	CXLIV
25	105A300	" 10101-10125	" 410101-410125	CXLV
17	105A100ALW	" 9400-9416	" 49400-49416	CXLVI
17	"	" 9417-9433	" 49417-49433	CXLVII
2	"	" 9434-9435	" 49434-49435	CXLVIII
1	"	" 9436	" 49436	CXLIX
16	"	" 9437-9452	" 49437-49452	CL
7	201A80W	" 9270-9276	" 49270-49276	CLI
11	"	" 9277-9287	" 49277-49287	CLII

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
4	201A80W	NDX- 9288-9291	ACDX- 49288-49291	CLIII
6	105A300	" .. 10126-10131	" 410126-410131	CLIV
9	"	" .. 10132-10140	" 410132-410140	CLV
20	"	" .. 10141-10156	" 410141-410156	CLVI
	"	" .. 10157	" 410157	
	"	" 10159-10161	" 410159-410161	
1	"	" 10158	" 410158	CLVII
14	"	" .. 10162-10175	" 410162-410175	CLVIII
7	201A80W	" .. 9610-9616	" 49610-49616	CLIX
1	AAR-III	" 147	" 4147	CLX
3	"	" .. 717	" 4717	CLXI
	"	" .. 718	" 4718	
	"	" .. 721	" 4721	
2	"	" 726	" 4726	CLXII
	"	" .. 764	" 4764	
2	"	" 733	" 4733	CLXIII
	"	" 739	" 4739	
29	"	" 801	" 4801	CLXIV
	"	" 803	" 4803	
	"	" 804	" 4804	
	"	" .. 806-815	" 4806-4815	
	"	" 818	" 4818	
	"	" 820	" 4820	
	"	" 821	" 4821	
	"	" 823-829	" 4823-4829	
	"	" 832-834	" 4832-4834	
	"	" 836	" 4836	
	"	" 838	" 4838	
	"	" 839	" 4839	
1	103W	BMX- 975	" 8975	CLXV
3	"	PCLX- 3000-3002	" 83000-83002	CLXVI
2	"	" 3003-3004	" 83003-83004	CLXVII
4	"	" 3005-3008	" 83005-83008	CLXVIII
3	"	" 3009-3011	" 83009-83011	CLXIX
2	"	BMX- 3012-3013	" 83012-83013	CLXX
8	103BW	PCLX- 3100-3107	" 83100-83107	CLXXI
4	"	" 3108-3111	" 83108-83111	CLXXII
1	103W	" 3200	" 83200	CLXXIII
2	"	" 3300-3301	" 83300-83301	CLXXIV
1	"	" 9000	" 89000	CLXXV
37	"	BMX- 9009	" 89009	CLXXVI
	"	PCLX- 9010	" 89010	
	"	BMX- 9011	" 89011	
	"	PCLX- 9014	" 89014	
	"	" 9016	" 89016	
	"	" 9020	" 89020	
	"	BMX- 9021	" 89021	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
	103W	PCLX- 9022	ACDX- 89022	
	"	" 9024-9025	" 89024-89025	
	"	" 9027	" 89027	
	"	BMX- 9028	" 89028	
	"	PCLX- 9029	" 89029	
	"	BMX- 9030	" 89030	
	"	PCLX- 9031-9033	" 89031-89033	
	"	BMX- 9034-9036	" 89034-89036	
	"	PCLX- 9038	" 89038	
	"	BMX- 9040	" 89040	
	"	PCLX- 9041	" 89041	
	"	BMX- 9043	" 89043	
	"	PCLX- 9044-9047	" 89044-89047	
	"	BMX- 9048	" 89048	
	"	PCLX- 9049-9050	" 89049-89050	
	"	BMX- 9051	" 89051	
	"	PCLX- 9052	" 89052	
	"	" 9057-9058	" 89057-89058	
	"	BMX- 9060-9061	" 89060-89061	
2	"	PCLX- 9063-9064	" 89063-89064	CLXXVII
27	"	" 9066-9068	" 89066-89068	CLXXVIII
	"	BMX- 9069	" 89069	
	"	PCLX- 9070-9071	" 89070-89071	
	"	BMX- 9072	" 89072	
	"	PCLX- 9073-9074	" 89073-89074	
	"	BMX- 9075-9076	" 89075-89076	
	"	PCLX- 9077-9080	" 89077-89080	
	"	BMX- 9081	" 89081	
	"	PCLX- 9086-9088	" 89086-89088	
	"	" 9091-9092	" 89091-89092	
	"	" 9094-9099	" 89094-89099	
2	"	PCLX- 9100-9101	" 89100-89101	CLXXIX
3	"	BMX- 9103	" 89103	CLXXX
	"	PCLX- 9104-9105	" 89104-89105	
23	"	" 9107	" 89107	CLXXXI
	"	BMX- 9108	" 89108	
	"	PCLX- 9109-9110	" 89109-89110	
	"	" 9127-9129	" 89127-89129	
	"	BMX- 9130	" 89130	
	"	PCLX- 9131-9132	" 89131-89132	
	"	BMX- 9134	" 89134	
	"	PCLX- 9135	" 89135	
	"	" 9137	" 89137	
	"	" 9139	" 89139	
	"	" 9142-9143	" 89142-89143	
	"	BMX- 9145	" 89145	
	"	PCLX- 9146	" 89146	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
	103W	PCLX- 9147-9150	ACDX- 89147-89150	
	"	BMX- 9151	" 89151	
1	"	PCLX- 9111	" 89111	CLXXXII
1	"	BMX- 9169	" 89169	CLXXXIII
33	"	PCLX- 9155	" 89155	CLXXXIV
	"	BMX- 9156	" 89156	
	"	" 9158	" 89158	
	"	PCLX- 9161-9162	" 89161-89162	
	"	PCLX- 9164-9165	" 89164-89165	
	"	BMX- 9166	" 89166	
	"	PCLX- 9163	" 89163	
	"	" 9170	" 89170	
	"	" 9172	" 89172	
	"	BMX- 9175-9176	" 89175-89176	
	"	PCLX- 9177	" 89177	
	"	BMX- 9178	" 89178	
	"	PCLX- 9180	" 89180	
	"	BMX- 9181-9182	" 89181-89182	
	"	PCLX- 9185	" 89185	
	"	" 9189-9192	" 89189-89192	
	"	BMX- 9194	" 89194	
	"	PCLX- 9196	" 89196	
	"	BMX- 9197	" 89197	
96	"	PCLX- 9200-9224	" 89200-89224	CLXXXV
	"	BMX- 9225	" 89225	
	"	" 9226-9229	" 89226-89229	
	"	PCLX- 9231	" 89231	
	"	BMX- 9232	" 89232	
	"	PCLX- 9233	" 89233	
	"	BMX- 9234	" 89234	
	"	PCLX- 9235-9245	" 89235-89245	
	"	BMX- 9246	" 89246	
	"	PCLX- 9247-9253	" 89247-89253	
	"	BMX- 9254	" 89254	
	"	PCLX- 9255	" 89255	
	"	BMX- 9256-9257	" 89256-89257	
	"	PCLX- 9258-9261	" 89258-89261	
	"	BMX- 9262	" 89262	
	"	PCLX- 9263	" 89263	
	"	BMX- 9264	" 89264	
	"	PCLX- 9265-9278	" 89265-89278	
	"	BMX- 9279-9280	" 89279-89280	
	"	PCLX- 9281-9286	" 89281-89286	
	"	BMX- 9287	" 89287	
	"	PCLX- 9288	" 89288	
	"	BMX- 9289	" 89289	

Column 1	Column 2	Column 3	Column 4	Column 5
Number of Cars	Interstate Commerce Commission or AAR Specification Number	Old Identifying Symbol and Number	New Identifying Symbol and Number	Category of Cars as set forth in Schedule A to the Lease Supplement
	103W	PCLX- 9290-9297	ACDX- 89290-89297	
14	"	BMX- 9300-9303	" 89300-89303	CLXXXVI
	"	PCLX- 9304-9306	" 89304-89306	
	"	BMX- 9307	" 89307	
	"	PCLX- 9308	" 89308	
	"	BMX- 9309-9310	" 89309-89310	
	"	PCLX- 9311	" 89311	
	"	BMX- 9312-9313	" 89312-89313	
2	"	PCLX- 9314-9315	" 89314-89315	CLXXXVII
11	"	BMX- 9316-9317	" 89316-89317	CLXXXVIII
	"	PCLX- 9318	" 89318	
	"	BMX- 9319-9321	" 89319-89321	
	"	PCLX- 9322	" 89322	
	"	BMX- 9323	" 89323	
	"	PCLX- 9324-9326	" 89324-89326	
1	"	" 9327	" 89327	CLXXXIX
2	"	" 9328-9329	" 89328-89329	CXC
10	"	" 9330-9339	" 89330-89339	CXCI
5	"	" 9340-9344	" 89340-89344	CXCII
24	"	" 12500-12508	" 812500-812508	CXCIII
	"	" 12510-12524	" 812510-812524	
58	"	" 12526-12583	" 812526-812583	CXCIV
16	"	BMX- 12584	" 812584	CXCV
	"	PCLX- 12585-12599	" 812585-812599	
3	111A100W1	" 16000-16002	" 816000-816002	CXCVI
9	"	" 16003-16011	" 816003-816011	CXCVII
3	"	" 16012-16014	" 816012-816014	CXCVIII
4	ICC-103W	SSLX- 3200-3203	" 53200-53203	CXCIX
2027				

SCHEDULE B TO LEASE SUPPLEMENT

SCHEDULE C TO LEASE

BASIC RENT AND EXTENDED TERM RENT PAYMENTS AND LESSOR'S CAPITALIZED COSTS

Column 1		Column 2	Column 1		Column 2
Category and Number of Cars		Lessor's Total Capitalized Cost for each Car in such Category	Category and Number of Cars		Lessor's Total Capitalized Cost for each Car in such Category
I	45	23,250	L	197	6,504
II	18	23,250	LI	20	6,704
III	66	4,069	LII	1	8,575
IV	10	6,900	LIII	29	6,704
V	2	6,326	LIV	98	7,027
VI	11	6,116	LV	149	7,661
VII	60	6,886	LVI	198	8,472
VIII	5	6,900	LVII	8	4,700
IX	1	5,526	LVIII	6	4,700
X	1	6,706	LIX	3	4,956
XI	1	5,526	LX	6	4,956
XII	1	6,706	LXI	12	4,230
XIII	13	5,665	LXII	1	6,764
XIV	1	5,526	LXIII	1	5,531
XV	3	5,684	LXIV	1	8,975
XVI	3	6,706	LXV	1	9,500
XVII	1	5,998	LXVI	1	9,550
XVIII	1	5,526	LXVII	25	744
XIX	1	5,998	LXVIII	38	813
XX	1	5,526	LXIX	2	814
XXI	1	5,998	LXX	1	1,249
XXII	2	5,526	LXXI	3	814
XXIII	1	6,706	LXXII	1	861
XXIV	18	5,526	LXXIII	4	814
XXV	11	5,703	LXXIV	1	858
XXVI	1	6,718	LXXV	1	814
XXVII	13	5,816	LXXVI	38	1,892
XXVIII	23	5,608	LXXVII	9	1,892
XXIX	2	6,116	LXXVIII	1	1,892
XXX	6	13,082	LXXIX	1	2,321
XXXI	5	15,487	LXXX	2	2,320
XXXII	6	14,962	LXXXI	12	1,893
XXXIII	1	7,124	LXXXII	49	988
XXXIV	10	7,123	LXXXIII	1	1,975
XXXV	21	7,102	LXXXIV	5	2,100
XXXVI	14	7,438	LXXXV	14	2,379
XXXVII	15	7,479	LXXXVI	19	1,854
XXXVIII	2	6,825	LXXXVII	1	6,180
XXXIX	1	6,828	LXXXVIII	5	2,235
XL	15	7,479	LXXXIX	5	1,791
XLI	44	7,512	XC	10	1,909
XLII	22	7,548	XCI	1	2,071
XLIII	25	7,084	XCH	8	4,285
XLIV	56	7,084	XCHH	3	2,328
XLV	16	7,153	XCIV	3	3,100
XLVI	8	7,152	XCV	10	3,426
XLVII	3	7,253	XCVI	5	795
XLVIII	2	7,071	XCVII	14	1,315
XLIX	49	4,249	XCVIII	8	1,315

Column 1		Column 2	Column 1		Column 2
Category and Number of Cars		Lessor's Total Capitalized Cost for each Car in such Category	Category and Number of Cars		Lessor's Total Capitalized Cost for each Car in such Category
XCIX	3	1,328	CL	16	2,525
C	7	2,708	CLI	7	2,238
CI	3	3,324	CLII	11	2,255
CII	6	744	CLIII	4	2,291
CIII	3	14,079	CLIV	6	1,812
CIV	2	7,210	CLV	9	1,827
CV	1	7,210	CLVI	20	1,821
CVI	2	7,210	CLVII	1	1,833
CVII	1	7,210	CLVIII	14	1,833
CVIII	10	11,166	CLIX	7	2,175
CIX	18	7,871	CLX	1	306
CX	25	8,378	CLXI	3	773
CXI	1	8,396	CLXII	2	733
CXII	1	11,166	CLXIII	2	730
CXIII	3	18,150	CLXIV	29	385
CXIV	3	1,346	CLXV	1	3,730
CXV	6	877	CLXVI	3	6,790
CXVI	5	1,804	CLXVII	2	8,483
CXVII	2	1,803	CLXVIII	4	10,541
CXVIII	10	1,717	CLXIX	3	17,054
CXIX	3	1,718	CLXX	2	17,054
CXX	15	1,851	CLXXI	8	4,968
CXXI	2	1,854	CLXXII	4	15,128
CXXII	6	1,855	CLXXIII	1	20,926
CXXIII	9	1,734	CLXXIV	2	23,731
CXXIV	3	1,866	CLXXV	1	1,756
CXXV	7	1,751	CLXXVI	37	1,983
CXXVI	3	1,767	CLXXVII	2	1,983
CXXVII	1	1,784	CLXXVIII	27	1,983
CXXVIII	1	1,689	CLXXIX	2	1,725
CXXIX	1	157	CLXXX	3	1,724
CXXX	1	936	CLXXXI	23	1,725
CXXXI	5	2,702	CLXXXII	1	1,946
CXXXII	20	3,002	CLXXXIII	1	1,727
CXXXIII	28	2,236	CLXXXIV	33	1,947
CXXXIV	17	1,817	CLXXXV	96	4,105
CXXXV	5	1,819	CLXXXVI	14	8,331
CXXXVI	50	2,092	CLXXXVII	2	8,331
CXXXVII	6	443	CLXXXVIII	11	8,330
CXXXVIII	6	982	CLXXXIX	1	8,330
CXXXIX	3	1,221	CXC	2	8,597
CXL	4	4,014	CXCI	10	9,939
CXLI	2	22,725	CXCII	5	11,690
CXLII	2	1,182	CXCIII	24	6,208
CXLIII	3	1,302	CXCIV	58	6,209
CXLIV	19	7,050	CXCV	16	6,209
CXLV	25	1,313	CXCVI	3	20,312
CXLVI	17	3,219	CXCVII	9	21,823
CXLVII	17	3,232	CXCVIII	3	22,234
CXLVIII	2	2,523	CXCIX	4	4,357
CXLIX	1	2,514			

1. Lessor's Initial Capitalized Cost for each Car shall be determined as of the close of business on the date of delivery of this Lease and shall be a fraction of Lessor's Total Capitalized Cost for such Car, the numerator of which fraction shall be the aggregate principal amount of

STATE OF NEW JERSEY }
COUNTY OF HUDSON } ss.:

On this 6th day of December, 1962 before me personally appeared KENNETH G. WALKER, to me personally known, who being by me duly sworn, says that he is a Vice-President of First Union Properties, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he duly acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Walter Kowal
.....
Notary Public

[SEAL]

NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 1, 1965

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 6th day of December, 1962 before me personally appeared JAMES SHERIDAN, to me personally known, who being by me duly sworn, says that he is a Vice-President of Allied Chemical Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he duly acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Gertrude M. Widmann
.....
Notary Public

[SEAL]

GERTRUDE M. WIDMANN
Notary Public, State of New York
Qual. in Queens Co. No. 41-9556700
Certificate filed in New York County
Term Expires March 30, 1964